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DOCUMENTS ON CANADIAN EXTERNAL RELATIONS

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CANADA

DOCUMENTS ON CANADIAN EXTERNAL RELATIONS

VOLUME I

1909-1918

DEPARTMENT OF EXTERNAL AFFAIRS

64014—1½

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PREFACE

To a generation of Canadians which has seen two major wars and two major attempts to establish an orderly and peaceful world, which daily follows the many moves in the international scene and Canada's concern with them, the foreign policy of this country is both a matter of close interest and a part of their responsibility as citizens. Although the foreign policy of any country must from time to time be adapted to changing circumstances, there are in it continuing threads which represent the ideals, as well as the interests, of a people. A knowledge of past policy is therefore of value not only to scholars who study and interpret Canadian history but also to those who seek a broader understanding than a knowledge of current events can provide. It is with these twin purposes in mind that the Department of External Affairs has undertaken the publication of a series of volumes intended to provide the documentary basis for a study of Canadian external policy in the past.

By 1909, the year in which the Canadian Department of External Affairs was established, the world political order of the early twentieth century which was to be destroyed by the impact of two world wars and the challenge of revolutionary political forces, was already threatened by the German naval programme aimed at ending the British supremacy of sea power on which that order rested. Canada, a young state which had not yet assumed full exercise in practice of its sovereignty in the field of foreign relations, took little part in the major and mounting international crisis, but recognized that her security was questioned with that of the United Kingdom. The full impact of the significance of foreign policy came with the war of 1914.

This is in retrospect, although not necessarily reflected in bulk of documents, the main theme of the period of ten years which the present volume covers. The great responsibilities assumed by Canada in this war led to a re-examination of her proper part in the direction of it and, in turn, to new thinking on the nature of the imperial structure. In the next volume which it is hoped to publish, that on the Peace Conference of Paris, will be seen an extension of this line of thought.

In the period covered by the present volume, material will be found on other subjects of concern in Canadian external relations: the establishment of a permanent commission to deal with Canadian-American boundary questions; the project of reciprocity with the United States; settlement of some long-standing controversies in the Atlantic and the Pacific; the expansion of Canada's foreign trade. Many other subjects, of greater or lesser importance, are illustrated by the documents. The arrangement of documents and the principles of selection are explained in the editor's introduction.

I am confident that the volume will be of interest and value to the many Canadians interested in the external relations of their own country and I hope, too, to those citizens of other countries who have reason to follow our affairs.

Paul Martin

Secretary of State for
External Affairs

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INTRODUCTION

The publication of the present volume marks the first of a series which the Department of External Affairs hopes to publish in chronological illustration of developments in Canadian external relations. The appearance of this first collection of hitherto remote material happily marks the celebration of Canada's centennial. Its historical starting-point has been fixed at the year 1909, since it was at that time that the Department of External Affairs was established. Important previous relations with other countries had long been conducted in trade, immigration, boundary disputes and fisheries questions. The focus of the present series, however, is on an increasingly broad range of external, or foreign, policy. Although this initial volume spans a period of nearly ten decisive years, it is expected that, as Canadian external relations came to expand in range and complexity, later volumes will cover progressively shorter periods of time.

Since the documents presented in this volume are intended to illustrate the formulation and implementation of Canadian policy in the field of external relations, certain criteria have been adopted for their selection. In the main, the communications chosen usually reflect a senior level of government consideration and decision. Accordingly, memoranda and letters written by officials are not included, except in those rare cases in which they constitute either the best or the only sources of information. When two or more documents making the same points are available, the most illuminating has been chosen. Unless of modest length or essential to the theme, documents already in print have been omitted. Extracts from speeches in the House of Commons are reproduced only when a government statement of policy in convenient form is unavailable. Covering letters and documents burdened with minute detail appear only sparingly.

Within the scope of this initial volume, source materials were more fugitive and fragmentary than will later be the case. With the establishment of Canadian diplomatic missions still to come, one main reservoir of material for collections of this kind was lacking. On the other hand, fairly extensive correspondence with the United Kingdom appears, since the foreign relations of Canada as a non-sovereign state were conducted under British auspices during this period.

Various Orders in Council have been printed, since in a number of cases they provide the best, or the only, definition of Canadian policy and in effect were often used as the basis for despatches prefaced by a brief message of transmittal. The designation "Order in Council" is used to describe Approved Minutes of Council as well as Orders in Council proper.

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The texts reproduced in each case are the originals approved by the Governor General or Administrator and bearing the signature of the Prime Minister or Acting Prime Minister. A few Provincial Orders in Council and Orders in Council representing decisions of the Executive Council of Newfoundland are included in this initial volume.

Through the series, an attempt will be made to avoid excessive length, and yet to reflect the policies of the day as accurately as the available documents permit. Further, it is hoped that the balance and points of Canadian interest as between one subject and another can be preserved. Prolonged search among variants has been made in order to reproduce documents with as much faithfulness to the original as possible. Some obvious errors and peculiarities have been indicated by the word *sic*. In the spelling of names, it will be noticed that practice half a century ago occasionally varied from standard practice today. The positions or offices, rather than the names of persons involved in exchanges, have normally been used in the captions of documents, and complimentary salutations or closings have been abbreviated. Square brackets are reserved for words introduced by the editors. Round brackets are those found in the documents themselves.

Transcripts of telegrams were often unsigned. In such cases, the senders have been identified by rank in the caption, while names and dates of incumbency will be found in the index. The same principle applies to identification of despatches, memoranda and other documents not boasting a signature in the copy available for reproduction. When there is strong evidence of the identity of the author of a document, however, the name—in the absence of an actual signature—is shown enclosed in square brackets. Dates shown on telegrams are in some cases dates of submission for approval; in other cases, they are the dates of actual despatch.

The editors will make infrequent intervention, preferring to let the documents speak for themselves. Explanatory notes will be added occasionally, in some cases to call attention to other documents in the volume or to be found elsewhere, such as in the Sessional Papers. Nevertheless, footnotes will be kept to a minimum.

The documents in the present volume are arranged under seven chapter heads, with Chapters V and VII subdivided. Within each chapter or subdivision, the material appears in chronological order, except in part of Chapter III where Imperial Conference papers are kept together by conferences. While the topics chosen are those of principal concern during the period 1909-18, it is recognized that some readers will be pursuing themes which cut across the chapters, and that in some instances the allocation of documents to specific chapters is necessarily arbitrary. Material showing the desire of the Canadian government to be consulted regarding the conduct

of the First World War appears in Chapter II, for example, while the resultant machinery for consultation, as a feature of imperial relations, is included in Chapter III. Accordingly, even if communications confine themselves to individual topics, it has been found difficult to keep the sections of the volume mutually exclusive. A list of treaties, conventions and agreements mentioned in this volume, with dates of signature, will be found in the analytical index compiled for the special convenience of students and reference librarians.

All volumes of the series are to appear in separate English and French editions. Adhering to scholarly respect for "the integrity of the original", each document included will remain in the language in which it was written or received by the Canadian government. Current material contributed by the editors such as the introduction, captions, footnotes and index will appear respectively in English or French according to the character of the edition.

The selection of documents for the series has been made by professional historians working in conjunction with successive Departmental editors. The Department of External Affairs hopes through this venture to furnish serious students of Canadian history with ready access to some of the more significant official records of our recent national past.

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CHAPTER I

CONDUCT OF EXTERNAL RELATIONS

Establishment of Department; Commissioner General, France; High Commissioner, United Kingdom; opening of War Mission, Washington; consular questions.

1. *Memorandum from Under-Secretary of State to Civil Service Commissioners*

[Ottawa], May 25, 1907

. . . I refer to the desirableness of establishing a more systematic mode of dealing with what I may term, for want of a better phrase, the *external affairs* of the Dominion.

It is commonly supposed that such matters are now administered by the department of which I am the deputy head, but this is a misapprehension. The Secretary of State is primarily and principally the official mouthpiece of His Excellency the Governor General in respect of *Canadian affairs;* he is the channel of communication between the Dominion Government and those of the Provinces, towards which he occupies somewhat the same relation that the Colonial Secretary does towards the Colonies. All communications which reach the Secretary of State for transmission to England or to a foreign country are forwarded by him to the Governor General with a recommendation that he would be pleased to transmit the same to their destination. All despatches from the Colonial Office are addressed to the Governor General and by His Excellency are sent, for the most part, to the Privy Council where they are referred to the heads of those departments which they particularly concern. Much of this correspondence relates to domestic matters, and with it I have no concern here. Much, however, bears upon what I have called external affairs, that is to say, questions touching our relations with foreign countries, as the Behring Sea Seal question, the Alaska Boundary, the Atlantic Fisheries, International boundaries, and other pending controversies with the United States; or, it may be, with questions whose scope and bearing, though within the empire, extend beyond the bounds of the Dominion; such for example as the difference with Newfoundland over the boundary in Labrador. Let us say the Imperial Government have occasion to communicate with the Government of Canada in respect of any one of these subjects: the Colonial Minister addresses a despatch to the Governor General; that despatch is forwarded by command of His Excellency to the Privy Council,

which means with us the Cabinet. The Privy Council refers it to the Minister at the head of the department to which it relates, who causes to be prepared a reply in the form of a report to the Privy Council thus:

'The undersigned to whom was referred a despatch from the Secretary of State for the Colonies dated . . . on the subject of . . . has the honour to report that . . .'

That report, when it reaches the Privy Council, is turned into a Minute, preserving the sense, and even the phraseology unchanged. It has, as it were, merely been given a head and tail, thus:

'The Committee of the Privy Council have had under consideration a despatch from the Secretary of State for the Colonies dated the. . . . The Minister of . . . to whom the said despatch was referred, reports that (here follows the Minister's report verbatim).

'The Committee concur in the foregoing observation of the Minister of . . . , and advise that a copy of this Minute, if approved, be transmitted to the Secretary of State for the Colonies for the information of His Majesty's Government.'

This Minute, when approved by the Governor General, is forwarded to England. If it is an important despatch, the policy of the Government in regard to the principle involved is, no doubt, discussed and agreed to in Council; but the terms of the report are almost invariably left to the department to which the despatch was originally referred. Under this mode of dealing with official correspondence there is no uniformity of system or continuity of plan.

The preparation of despatches is a technical acquirement, attained only after special study of the questions involved, and by assiduous practice in drafting. It may happen; it must sometimes happen; that the official to whom these Imperial despatches are referred (for it cannot be expected that a busy Minister has time to attend to such matters personally, calling for much study, and a large acquaintance with intricate details) while fully competent to deal with the merits of the question in its present aspect, is not familiar with the past history of the controversy or skilled in the framing of State papers. There are moreover certain questions which relate partly to one department and partly to another, so that it may not be easy to tell at first sight to whom a new despatch should be referred. The earlier communication may have related to one department, and a later despatch on the same subject to another. Neither department having any knowledge of what has been referred to the other, the consequence is that both departments, *quoad* this particular subject, are working more or less in the dark.

In the early years of Confederation, when these questions were few, the inconvenience of which I speak was not so greatly felt, as the Prime Minister of the day kept them pretty much in his own hands; but with the growth and development of the Dominion this is no longer possible.

The practical result of the system in vogue is that there does not exist to-day in any department a complete record of any of the correspondence to which I have alluded. It has been so scattered, and passed through so many hands that there is no approach to continuity in any of the departmental files. Such knowledge concerning them as is available, is, for the most part, lodged in the memories of a few officials. I fear too that in Downing Street, Canadian despatches are noted for diversity rather than for elegance of style. As the Dominion grows this state of things must always be getting worse. If some reform is not soon effected it will be too late. Even now, I am of opinion that it would be an extremely difficult task to construct from our official files anything approaching to a complete record of any of the international questions in which Canada has been concerned during the past fifty years. To give one illustration: Thirty-five years ago the question of ownership of the Island of San Juan, long at issue between Great Britain and the United States, was decided by the Emperor of Germany in favour of the latter. That surely is a matter of important historical concern to the Dominion, yet I should be at a loss to know to-day to what department of the Government to turn for any information as to this arbitration. Indeed, I am quite confident that it does not exist in any of them[1]. . . .

JOSEPH POPE

2. *An Act to create a Department of External Affairs*

8-9 Edward VII, C. 13 [Assented to May 19, 1909]

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. There shall be a department of the Government of Canada to be called the Department of External Affairs, over which the Secretary of State for the time being shall preside.

2. The Governor in Council may appoint an officer who shall be called the Under Secretary of State for External Affairs, and who shall be the deputy head of the department, and may also appoint such other officers and clerks as are requisite for the due administration of the business of the department, all of whom shall hold office during pleasure.

3. The Secretary of State, as head of the department, shall have the conduct of all official communications between the Government of Canada and the Government of any other country in connection with the external affairs of Canada, and shall be charged with such other duties as may, from time to time, be assigned to the department by order of the Governor in Council in relation to such external affairs, or to the conduct and management of international or intercolonial negotiations so far as they may appertain to the Government of Canada.

[1] See Parliament of Canada, *Sessional Papers*, 1907-8, No. 15, pages 48-50 for specific recommendations regarding administrative procedures.

4. The administration of all matters relating to the foreign consular service in Canada shall be transferred to the Department of External Affairs.

5. The Secretary of State shall annually lay before Parliament, within ten days after the meeting thereof, a report of the proceedings, transactions and affairs of the department during the year then next preceding.

6. This Act shall come into force on a day to be fixed by proclamation of the Governor in Council.[1]

3. *Order in Council*

P.C. 1242 June 1, 1909

The Committee of the Privy Council, who have had under consideration the question of the constitution of the Department of External Affairs, are of opinion that it would further the purposes for which the Department was established, if all Despatches, at present communicated by your Excellency to the Privy Council, or direct to individual Ministers, should be, in the first instance, referred to the Prime Minister, and also to the Secretary of State as head of the Department of External Affairs, which Department shall then distribute them among the several Departments to which they relate, for the necessary consideration and action, and the Committee recommend accordingly.

The Committee further advise that in the case of such of the Despatches so referred as call for communication with the Secretary of State for the Colonies, or with His Majesty's representatives abroad, or with the Government of any British possession, in respect of any matter forming the subject of diplomatic negotiations in which Canada is interested; or of any private claim on the part of any Canadian subject of His Majesty against any Government, whether foreign or otherwise, external to the Dominion, the Department or Departments to which such Despatch was referred, shall furnish the Department of External Affairs with all available information bearing upon the matter to which it relates, and the Secretary of State, having informed himself by this means, shall thereupon make a report in the premises to the Governor in Council.

The Committee submit the foregoing recommendations for Your Excellency's approval.

4. *Under-Secretary of State for External Affairs to heads of other Departments*

Ottawa, June 30, 1909

I am directed by the First Minister to enclose to you, for your information and guidance, copy of a Minute of the Privy Council, approved by the Governor General on the 1st June, 1909, defining the functions of the new Department of External Affairs.

[1] The Act became effective on June 1, 1909, following an Order in Council, P.C. 1227, of that date, published in *The Canada Gazette* the same day.

You will observe therefrom that in future all despatches communicated by His Excellency to his Ministers will be referred to the various Departments through the Department of External Affairs. In the case of those despatches which are simply referred by command, the replies thereto should be communicated direct to the Governor General's Secretary as heretofore, the Department of External Affairs being at the same time notified that the matter had been dealt with.

With reference to those despatches in respect of which, according to the regulations laid down in the second paragraph of the within Minute, it devolves upon the Secretary of State for External Affairs to report to the Governor General in Council, such despatches will be sent to the Department or Departments immediately concerned, with a covering letter asking for the views of the Minister thereon, which views perhaps might ordinarily be most expeditiously and conveniently communicated by correspondence between the Deputy Heads.[1]

I also enclose copy of a Minute of Council, approved by the Governor General on the 21st June, 1909, transferring to the Department of External Affairs the administration of consular matters and the issue of passports. If it suits your convenience this transfer might be made from the 6th proximo. There may probably be other matters for adjustment between the two Departments, which we can settle at a later date.

JOSEPH POPE

5. *Order in Council*

P.C. 1835 September 3, 1909

The Committee of the Privy Council have had under consideration a despatch, dated 14th August 1909, from the Right Honourable the Secretary of State for the Colonies, on the subject of the grant of special customs facilities to the consular officers of the Governments by which similar facilities are granted to His Majesty's consular officers abroad.

The Secretary of State for External Affairs, to whom the said despatch was referred, states that under the provisions of the Canadian customs law, articles for the personal or official use of Consuls General who are natives or citizens of the country they represent and who are not engaged in any other business or profession are admitted into Canada free of customs duties, and further, that in practice this provision is so interpreted by the Customs Department as to permit the admission, free of duty, of all articles imported by consular officers which are the property of the Government they represent.

The Committee advise that Your Excellency may be pleased to forward a copy of this Minute to the Right Honourable the Secretary of State for the Colonies for the information of His Majesty's Government.

All which is respectfully submitted for Your Excellency's approval.

[1] The closing paragraph was added to the copy sent to the Under-Secretary of State.

6. *Extract from report*[1] *by the Under-Secretary of State for External Affairs*

CONFIDENTIAL Ottawa, July 19, 1910

. . . At present we are simply informed of the appointment of Consuls and asked whether we have any objection to the appointee. We are not furnished with the date of the Exequaturs, nor notified of changes by death, resignation or otherwise. I was promised that in future the date of the Exequatur would be supplied in each case, and also that, whenever practicable, we should be advised of changes by death, etc., though as a rule the Foreign Office does not know of them at the time, the first intimation of a vacancy being as a rule the notification of the new appointment. . . .

JOSEPH POPE

7. *Extract from speech by Prime Minister in the House of Commons*[2]

December 7, 1910

. . . The Consuls General of the different countries residing in Ottawa perform important duties. Their status at the present time, in view of our development as a nation—as I have sometimes stated—is at present undetermined and undefined. If the Consuls General were in England, or in any country which has absolute independence they would have no status whatever such as is contemplated in this motion. However, the Consuls General perform with us very important duties; duties not only of a commercial nature, but even of a semi-diplomatic nature.[3] Indeed, the development of Canada to its present status can hardly be defined. I have often taken the view that we are now a nation, and in fact in many respects we have the power and the duty and responsibility of a nation. But, we cannot have under present conditions diplomatic agents amongst us other than the consular agents who are entrusted by their Governments with commercial functions. But, by the force of things these Consuls General have become with us semi-diplomatic agents, and many of the Consuls have really performed in Canada diplomatic duties. The American Consul, Mr. Foster, has been acting for his Government in what is a diplomatic function, and the Consul of Italy and the Consul of Germany were charged with similar duties last year. All this has been done without authority, and is contrary to the rules that apply among civilized nations, but it became a necessity because of the development of the larger colonies of the British Empire which have

[1] Written following Pope's visit to London in April and May.
[2] Canada, *House of Commons Debates*, 1910-11, cols. 953-954.
[3] For illustrations see Document 780 and Chapters VI and VII, *passim*.

become practically nations. Now, I believe we should endeavour to determine by law, or rather somewhat officially, what the rights and status of the Consuls General of the different nations are. Practically they are diplomatic agents as well as consular agents, and for my part I think it would be proper that at an early date their official position should be defined. I think we should have an understanding with the Imperial Government that the Consuls should be allowed semi-diplomatic recognition amongst us. This is a matter which I suppose concerns Australia, New Zealand, and South Africa as well as Canada, and probably it may be a proper subject for discussion at the next Imperial Conference. If there are any papers such as are called for by the motion, they will be brought down. . . .

8. *Order in Council*[1]

P.C. 1181 May 22, 1911

The Committee of the Privy Council, on the recommendation of the Acting Prime Minister, advise that Your Excellency may be pleased to solicit the good offices of the Right Honourable the Principal Secretary of State for the Colonies in requesting that His Majesty's Foreign Office will address a communication to His Majesty's Ambassador at Paris, France, informing him that the Canadian Government has appointed Mr. Philippe Roy as *Commissaire général du Canada* in France, with headquarters at Paris, and that therefore the Canadian Government will be glad if the Foreign Office will bespeak for Mr. Roy any assistance within the purview of the office of the British Ambassador at Paris which it may be deemed expedient to extend to Mr. Roy from time to time.

9. *Colonial Secretary to Governor General*

DESPATCH 555
My Lord, Downing Street, July 8, 1911

I have the honour to acknowledge the receipt of your Excellency's despatch No. 319 of the 31st of May, on the subject of the appointment of Mr. Philippe Roy as *Commissaire général du Canada* in France, with headquarters at Paris.

2. Before notifying this appointment to the French Government I shall be glad to learn exactly what is the status and the functions assigned to Mr. Roy.

3. As your Ministers are no doubt aware, Mr. Roy's predecessor held the position of Canadian Trade Commissioner, and in the notification which was made to the French Government of his appointment in 1882, it was merely stated that he was to represent certain interests of the Dominion in Paris.

[1] Sent to Colonial Secretary on May 31, 1911.

4. I shall also be glad to learn what is the English equivalent of Mr. Roy's French title.

I have etc.

L. HARCOURT

10. *High Commissioner to Under-Secretary of State for External Affairs*

TELEGRAM[1] London, October 18, 1911

Your cable 16th instant, Paris Agency. Jurisdiction High Commissioner[2] [is partial]. All emigration work is under his supervision and everything concerning distressed Canadians whether in France or elsewhere is referred to him, also matters generally concerning Archives staff who are paid through him. Respecting all these matters Commissioner General communicates with High Commissioner direct. Negotiations with French Government would be through High Commissioner and not Commissioner General. This would be the case equally regarding Canadian representatives at international congresses on continent. See motion Dominion House of [Commons 28th] February 1883. Writing.

[STRATHCONA]

11. *Order in Council*[3]

P.C. 2481 October 23, 1911

The Committee of the Privy Council have had before them a report, dated 20th October, 1911, from the Secretary of State for External Affairs, to whom was referred a despatch, dated 8th July 1911, from the Right Honourable the Principal Secretary of State for the Colonies, on the subject of the appointment of Mr. Philippe Roy as *Commissaire général du Canada* in France.

The Minister states, in reply to Mr. Harcourt's enquiry, that the Canadian Government do not propose to vary the status and functions of Mr. Roy from those assigned to the late Mr. Fabre.

The Minister observes that the nearest English equivalent of *Commissaire général du Canada* in France is General Commissioner of Canada in France.

The Committee recommend that Your Royal Highness may be pleased to advise the Right Honourable the Principal Secretary of State for the Colonies in this sense.

All of which is respectfully submitted for approval.

---

[1] Words in square brackets were supplied in High Commissioner's confirmatory despatch of October 19, 1911.

[2] For functions of High Commissioner for Canada in the United Kingdom see footnote, page 18, and pages 253-254.

[3] Sent to Colonial Secretary October 27, 1911.

12. *Memorandum from Under-Secretary of State for External Affairs to Prime Minister*

Ottawa, October 27, 1911

Mr. Hector Fabre, having been selected by the Government of the Province of Quebec to reside in Paris in order to promote the financial, commercial, and other interests of the Province, the Government of Canada availed themselves of Mr. Fabre's presence in Paris to utilize his services.

12th July 1882. By a Minute of Council he was authorized to act as agent on behalf of the Dominion in a similar capacity.

3rd October 1882. On the 3rd October following, instructions were issued to Mr. Fabre defining his duties, which were to spread information respecting Canada in France and on the continent. He was directed to conform to any instructions he might receive from the Canadian High Commissioner in London in regard to any duties to be discharged, or assistance to be rendered in connection with efforts to bring about more favourable commercial relations between Canada and France.

He was further directed to report monthly to the Secretary of State.

It is clear from the foregoing that the office was at that time regarded as purely an emigration and commercial agency, subordinate as regards the latter function, to the High Commissioner in London, and possessing no quasi-diplomatic character. Mr. Fabre's reports to the Secretary of State show that he so understood the nature of his office. There is no statutory creation of the position, but in Minutes of Council of the period he is styled "Agent of the Canadian Government in France".

29th August 1902. So matters went on. In August 1902 the Minister of Trade and Commerce appointed Mr. Poindron as Canadian "Trade Commissioner" in Paris, and in the following year[1] Mr. Wiallard was appointed by the Minister of the Interior "General Emigration Agent for France". Apparently they acted as assistants to Mr. Fabre.

2nd September 1910. On Mr. Fabre's death, both Mr. Poindron and Mr. Wiallard claimed to act as Canadian Commissioner General *ad interim,* to the evident annoyance of His Majesty's Ambassador at Paris, who wrote to the Secretary of State for Foreign Affairs[2] asking that Mr. Wiallard's position might be defined. In accordance with Sir Wilfrid Laurier's verbal instructions, the Ambassador was informed that "Mr. Wiallard is at present temporarily filling the position made vacant by the death of Monsieur Fabre, and that he should be addressed as 'Acting Canadian Commissioner in Paris' ".

22nd May 1911. On the 22nd May 1911 Mr. Philippe Roy was appointed *Commissaire général du Canada* in France, and the appointing Minute of Council goes on to say that "the Canadian Government will be glad if

[1] 1st September 1903.
[2] 4th January 1911.

the Foreign Office will bespeak for Mr. Roy any assistance within the purview of the office of the British Ambassador at Paris, which it might be deemed expedient to extend to Mr. Roy from time to time".

8th July 1911. In July 1911 the Secretary of State for the Colonies wrote out that before notifying Mr. Roy's appointment to the French Government, he would be glad to learn exactly what are the status and functions assigned to Mr. Roy. Mr. Harcourt reminds the Canadian Government that in the notification to the French Government of the appointment of Mr. Roy's predecessor in 1882 it was merely stated that Mr. Fabre was to represent certain interests of the Dominion in Paris. The Colonial Secretary also asks to be informed of the "exact English equivalent of Mr. Roy's French title". On the 23rd October 1911 a Minute of Council was passed acquainting the Secretary of State for the Colonies that the Canadian Government do not propose to vary the status and functions of Mr. Roy from those assigned to the late Mr. Fabre, and also pointing out that the nearest English equivalent of *Commissaire général du Canada* in France is "General Commissioner of Canada in France".

In the earlier years of his tenure of office the late Mr. Fabre reported to the Secretary of State. Apparently these reports were not very frequent, for I find on the file a private letter from Mr. Chapleau, then Secretary of State, to Mr. Fabre, written in 1891, upbraiding him for not carrying out his instructions in this respect, and pointing out that the House of Commons could not be expected to vote money for his office if they were not informed of his doings. This censure apparently crossed a report from Mr. Fabre, which so far as I can ascertain, was the last he made. There never has been any certainty as to which Department of the Canadian Government his office was attached. After ceasing to communicate with the Secretary of State, I understand that the Department of Finance was supposed to exercise some jurisdiction over him, but it seems as if the only relation at any time existing between him and them is that that Department pays the salary. I understand that in certain respects Mr. Fabre recognized the supremacy of the High Commissioner's Office in London, but his status has always been more or less undefined and unsatisfactory.

[JOSEPH POPE]

13. *Secretary, Governor General, to Under-Secretary of State for External Affairs*

Sir, Ottawa, November 17, 1911

I have the honour to enclose, for your information, a copy of a short memorandum on the subject of the reception by His Royal Highness of foreign Consuls General resident in Ottawa.

I have etc.

LOWTHER

[ENCLOSURE]

Memorandum by Secretary, Governor General

Ottawa, November 17, 1911

By desire of His Royal Highness I interviewed Mr. Foster, (the United States Consul General) and explained to him that His Royal Highness wished to show some courtesy to the foreign Consuls General resident in Ottawa but that he could not and would not act in any way against the terms of Lord Elgin's despatch[1] by giving them precedence or official recognition.

I insisted more than once on this point.

My subsequent letter and Mr. Foster's reply are attached. It will be observed that the term "Governor General" is not used in either letter, and that the Consuls General were received, not at, but before the Drawing Room.

It is therefore quite clear that the courtesy is being shown by the Duke of Connaught, not by the Governor General to Consuls General in their official capacity, for they do not attend the Drawing Room.

LOWTHER

14. *Governor General to Colonial Secretary*

SECRET DESPATCH

Sir, Ottawa, November 20, 1911

In reference to your secret despatch of the 14th July last in which you refer to the possibility of my showing some special courtesy to foreign consuls, I now beg to enclose for your information a copy of a memorandum by my Military Secretary and of two letters[2] bearing on the question.

From these you will see that I have—without giving them any precedence—adopted a course which is satisfactory to the Consuls General and bridges over a tiresome situation.

These gentlemen are very anxious to lay hold of anything which may bring about their recognition as representatives of their state, but I do not consider that the fact of my seeing them privately before the Drawing Room gives them any such claim.

I have etc.

ARTHUR

[1] The writer was Secretary of State for the Colonies in the United Kingdom, 1905-1908.

[2] Not printed.

15. *The Department of External Affairs Act*

2 George V, C. 22 [Assented to April 1, 1912]

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. This Act may be cited as *The Department of External Affairs Act.*

2. There shall be a Department of the Government of Canada to be called the Department of External Affairs, over which the Secretary of State for External Affairs shall preside.

3. The Member of the King's Privy Council for Canada holding the recognized position of First Minister shall be the Secretary of State for External Affairs, and in this Act he is hereafter referred to as "the Minister."

4. The Governor in Council may appoint an officer who shall be called the Under Secretary of State for External Affairs, and who shall be the deputy head of the Department, and may also appoint such other officers and clerks as are requisite for the due administration of the business of the Department, all of whom shall hold office during pleasure.

5. The Minister, as head of the Department, shall have the conduct of all official communications between the Government of Canada and the Government of any other country in connection with the external affairs of Canada, and shall be charged with such other duties as may be assigned to the Department by order of the Governor in Council in relation to such external affairs, or to the conduct and management of international or intercolonial negotiations so far as they may appertain to the Government of Canada.

6. The administration of all matters relating to the foreign consular service in Canada shall be transferred to the Department of External Affairs.

7. The Minister shall annually lay before Parliament, within ten days after the meeting thereof, a report of the proceedings, transactions and affairs of the Department during the year then next preceding.

8. Chapter 13 of the Statutes of 1909 is repealed.

16. *Order in Council*

P.C. 1254 May 10, 1912

The Committee of the Privy Council have had under consideration a report, dated 8th May, 1912, from the Minister of Trade and Commerce, with a view to the establishment of more intimate and helpful relations between the British Consular system and Canada in respect of her trade and commerce with foreign countries.

The Minister observes that this system is widely distributed and in charge of experienced and, generally, specially trained men, a large part of whose work consists in getting information concerning the resources, commercial capabilities and trade openings of the countries in which its officers are located.

This information is digested, tabulated and sent to the Home Secretary in the form of telegrams, abstracts and detailed reports, and then in turn is widely distributed as commercial intelligence. In this way, British business men are brought into touch with the trade demands and conditions of every country in the world, and British commerce is served by a special and widely distributed corps of trained and skilful agents. Whilst these are primarily commissioned to serve the trade of the United Kingdom, and whilst their first duty is to British commerce, there seems to be no good reason why their sympathies and services should not be extended to the other and Oversea members of the Empire, whose foreign commerce is constantly growing and whose business dealings are becoming extended to practically all countries, and which must, sooner or later, have their commercial interests promoted by like agencies and services.

The Minister further observes that it seems reasonable, therefore, and altogether natural that some measure of co-operation can be devised in which, whilst British commerce would not suffer, Canadian trade would be greatly helped and developed.

Much of the information gathered by the commercial attachés and consuls would prove useful to Canadian business interests, and if transmitted in duplicate to the Department of Trade and Commerce could then be utilized and distributed. It would not be a difficult matter for the British Consuls to differentiate between what would be pertinent and helpful, and what would be of little or no interest. On the other hand, the consulate could be kept supplied with the latest information as to resources and developments, processes and products of Canada, with lists of industries and sources of supply so that it would be able to answer inquiries and to suggest interchange.

The Department of Trade and Commerce could easily furnish the principal consular officers with such pertinent information as to Canadian resources and trade possibilities as would be of advantage.

Instances are daily arising also in which Canadian trade transactions involve reference to some friendly representative authority for determining the status of a purchaser or settling some disputed point in commercial negotiation and the existence of an understanding in that respect with freedom and power of reference to an authority in the locality would be of very great value.

Special questions as to commercial customs and conditions in distant countries are constantly cropping up which could be easily solved if liberty of inquiry was established and co-operation authorized.

The question of competition for market openings would not frequently arise, owing to the fact that Canadian products do not often parallel those of Great Britain, and in cases where they did, Canadian competition should be more welcome than foreign competition, and would be exercised by a member of the common family.

It might be possible in some countries where language facilities are provided for in the consular staff, to arrange for a Canadian representative to work

in conjunction with the consulate and so avail himself of the help and advice which could be so fully and effectively provided. In those foreign countries where Canada has already established commercial agencies, great help and assistance could be afforded if the privilege of advising and consulting with the consular agents were allowed. By degree and in time, it might so turn out that the British Consular service should become truly imperial and have as members and attachés for commercial purposes representatives of the Overseas Dominions as an organised part of the same.

The Minister states that he looks no further at the present time than for the initial utilization of the services and experience of so widely distributed and efficient a world system along the lines of sympathetic and co-operative action which would tend to broaden and stimulate Canadian commerce, whilst proving no detriment to British interests, and he is the more encouraged to submit these suggestions by the fact that as far back as 1902, Lord Lansdowne, then Foreign Secretary, expressed his entire willingness that the British Consular staff would furnish information and statistics when desired to do so by the Colonies.

The Committee, concurring in the report of the Minister of Trade and Commerce, advise that the Minister of Trade and Commerce be authorized to confer personally with the Home authorities with the view of ensuring such co-operation and mutual work as may be consistent with the interests of both countries.

The Committee also advise that His Royal Highness may be pleased to forward the above observations to the Right Honourable the Principal Secretary of State for the Colonies for his consideration.

All which is respectfully submitted for approval.

17. *Governor General to Colonial Secretary*

DESPATCH 284

Sir, Ottawa, May 14, 1912

I have the honour to transmit, herewith, for your consideration, copies of an Approved Minute of the Privy Council for Canada[1] regarding the possibility of establishing more intimate and helpful relations between the British Consular System and Canada in respect of Canada's trade and commerce with Foreign Countries.

You will observe that the Minister of Trade and Commerce has been authorized to confer personally with the Home Authorities with the view of securing such co-operation and mutual work as may be consistent with the interests of both countries. As you are aware, Mr. Foster is proceeding to England shortly in connection with the Royal Commission appointed to investigate the natural resources of the Empire.

I have etc.

ARTHUR

[1] Document 16.

18. *Colonial Secretary to Governor General*

DESPATCH 536 Downing Street, August 3, 1912

Sir,

I have the honour to acknowledge the receipt of Your Royal Highness's despatch No. 284 of the 14th May, relative to the desire of your Ministers that more intimate relations should be established between the British Consular system and Canada in respect of Canada's trade and commerce with foreign countries.

The questions involved have been discussed with Mr. Foster, Minister of Trade and Commerce, during his visit to this country, and I now enclose for your Ministers' information a copy of a memorandum setting forth the views of His Majesty's Government on the subject. A copy of the memorandum has been sent to Mr. Foster.

I have etc.

L. HARCOURT

[ENCLOSURE]

Memorandum

Foreign Office, July 24, 1912

1. The Department of Trade and Commerce of Canada will be furnished with any reasonable number of copies of all Trade Reports from the Far East and from any other district which they may specify as soon as they are published.

2. Any Canadian firms will be at liberty to apply direct to any of His Majesty's Consuls for information as to possibilities of sale of Canadian products, the methods under which business is conducted and the best means of getting into touch with markets. They will receive all possible assistance in this matter, subject to the condition laid down in the Report of the Canadian Minister of Trade and Commerce that the Consuls are primarily commissioned to serve the trade of the United Kingdom. The Canadian Department of Trade and Commerce will be supplied from time to time with lists of His Majesty's Consular representatives in the Far East and in other districts in which they are interested.

3. The Department of Trade and Commerce will prepare a statement of Canada's commercial and industrial resources and developments giving a list of principal industries and sources of supply and indicating the questions upon which Canadian merchants and manufacturers desire information. This document which will be revised from time to time will be communicated to His Majesty's Consuls from the Foreign Office with instructions to pay particular attention to the questions referred to. The Commercial Attachés will be instructed to report from time to time regarding them, and such reports will be forwarded from London to the Department of Trade and Commerce without delay.

4. Canadian Trade Commissioners will be at liberty to apply to His Majesty's Consuls for advice and assistance.

5. Before any decision is taken on the question of attaching commercial agents to His Majesty's Consulates in the Far East (China, Japan and Eastern Siberia), the Canadian Department of Trade and Commerce will send out a special representative for the purpose of studying trade conditions on the spot and deciding on the best means of promoting Canadian trade there. His Majesty's Consuls will be instructed to give him every assistance including the provision of interpreters and introductions to the principal officials and merchants, native and foreign. In particular he will be able to obtain in the offices of the Commercial Attachés in Yokohama and Pekin a great deal of valuable information regarding all forms of commercial activity. His Majesty's Consuls and the Commercial Attachés will be empowered to discuss with him the practicability of attaching Canadian commercial agents to the Consulates, but it is recognised that periodical visits of the kind suggested may be found to meet the requirements of Canada more efficiently and at less cost, than the permanent attachment to the Consulates of commercial agents.

6. Should the Canadian Government desire that office room should be afforded in British Consulates for Canadian Commercial representatives no objection would be raised in principle.

7. Each case would be considered on its own merit and be a matter of arrangement between Canada and the British Government dependent on the needs and convenience of the Consular Office. When such accommodation was granted it is understood that the Consular Office assumes no responsibility for the direction or work of the Canadian representatives.

8. The members of the Canadian Commercial Service will be eligible for selection and entrance to the British Commercial Service on such terms and conditions as are set for other entrants thereto subject to the regulations of the British Government in the carrying out of its services.[1]

19. *Order in Council*

P.C. 3536 December 20, 1912

The Committee of the Privy Council, on the recommendation of the Right Honourable R. L. Borden, the Prime Minister, advise that the Office of the *Commissaire Général du Canada,* in Paris, France, be transferred to and placed under the instruction and supervision of the Prime Minister, from the first day of January 1913.

[1] The Trade Commissioner Service was the object of Resolution V at the Imperial War Conference, 1917. See *Sessional Papers*, 1917, No. 42a. A Memorandum on this matter by the Board of Trade was circulated at the Imperial War Conference, 1918.

The Committee, on the same recommendation, further advise that any moneys voted by Parliament for the maintenance of this Office, be also transferred to and placed under the control of the Prime Minister.

20. *Order in Council*

P.C. 3278 December 20, 1912

The Right Honourable the Prime Minister represents that at present the Honourable Philippe Roy, the Representative of the Dominion Government in Paris (*le Commissaire Général du Canada*), is also the representative in France of the Government of the Province of Quebec, and also acts as Director of one or more companies, and that he (the Prime Minister) is of opinion that, on account of the misunderstanding and confusion that might arise, it is undesirable that the representative of the Dominion Government should represent one of the nine provinces as distinguished from the others, and he is also of opinion that such representative should exclusively devote himself to the performance of his duties as such.

The Prime Minister, therefore, recommends that Mr. Roy be required to relinquish the position of representative of the Province of Quebec, and the directorship or directorships so held by him; and that upon his so doing, his salary be increased from $8,000 to $12,000 a year from 1st April, 1912; it being understood that Mr. Roy while holding the office of *Commissaire Général du Canada* shall devote his entire time to the performance of the duties of that office.

The Committee of the Privy Council, concurring in the foregoing, advise that Parliament be asked at its present Session to vote the necessary appropriation to increase the salary of the *Commissaire Général du Canada* in Paris to $12,000 a year accordingly.

All which is respectfully submitted for approval.

21. *Order in Council*

P.C. 127 January 18, 1913

The Committee of the Privy Council, on the recommendation of the Right Honourable R. L. Borden, the Prime Minister, advise that the office of the *Commissaire Général du Canada,* in Paris, France, be placed under the instruction and supervision of the Prime Minister, as Secretary of State for External Affairs, from the first day of January, 1913.

The Committee, on the same recommendation, further advise that the sum of $25,000.00, to provide for salaries and expenses of such office, be placed in the Estimates to be submitted to Parliament at the present session and that such appropriation be placed under the control of the Department of External Affairs.

22. *Acting High Commissioner to Prime Minister*

CONFIDENTIAL

My dear Borden, London, August 15, 1914

In view of this terrible war and the fact that it is likely to delay for some time my departure from here I think it best to try and put down a few things in writing regarding this office and the position of High Commissioner.[1] When I left home at your request it was for the purpose of spending a few months here, to try and administer the office in the meantime and in that way to get an insight into conditions here so that on my return I might report to you regarding same. I should much prefer to have done this verbally and it would take far too long at the present juncture to go into such a big question in detail in a letter, as we are busy here every day for long hours. Then the problems and conditions occasioned by this war dwarf all our other ordinary matters and I would not raise the question at the moment at all except that you are having a session of parliament.

I find that the relations of the High Commissioner's office to the branches of the various departments here have altered very much of late years. I understand that in Sir Charles Tupper's time, and in fact he tells me so himself, this office exercised real control over every civil servant and branch of the service in Europe and really represented Canada in all ways, great and small. This condition of affairs seems to have altered very much during the last eighteen years until the connection of the various branches of the service with this office varies very much and in some cases has become almost nominal. I do not know that I could give a thorough explanation of how this has happened nor do I think it is necessary for me to try and do so at this time. You will readily realize that this situation is not conducive to good business and often produces overlapping and is very awkward, as for instance if someone enquires for information from this office regarding some purchase or transaction which has been going on in one of the branches and of which this office has to acknowledge that it is entirely ignorant.

The Emigration branch is the largest one in Great Britain and it is managed under instructions from Ottawa. Copies of all important letters are sent to this office but for some years now no acts of control seem to have been exercised from here although such work comes definitely under the High Commissioner by Act of Parliament. The cheques for payment of the emigration work are issued from this office without any control over

[1] The Act of 1880 appointing a "Resident Representative Agent for Canada in the United Kingdom", to be called "The High Commissioner for Canada", laid down as the duty of the officer appointed:

(1) To act as representative and resident Agent of the Dominion in the United Kingdom, and in that capacity to execute such powers and to perform such duties as may from time to time be conferred upon and assigned to him by the Governor in Council;

(2) To take charge, supervision and control of the Immigration offices and agencies in the United Kingdom, under the Minister of Agriculture;

(3) To carry out such instructions as he may from time to time receive from the Governor in Council respecting the commercial, financial and general interests of the Dominion in the United Kingdom and elsewhere. (*Statutes of Canada*, 43 Vict., C. 11, 1880).

the expenditure, and I think you will agree with me that this is a condition which should not exist. If the Emigration branch is to be managed as an independent entity the money would naturally be paid direct through that department. I consider that Mr. Smith is a hard working officer who has always been much interested in his work. He seems to me to sometimes go a little too fast or to be too optimistic, but he has been very open and frank with me and willing to give all information. At the same time I think that the High Commissioner ought to exercise a reasonable amount of control regarding the Emigration branch as well as all the other branches of the service here, but it must be done in a reasonable way as I will try and explain later on.

There is a Customs officer in this same building who does not seem to be subject to the control of this office but attends to his work as if it were entirely a separate business. I cannot see any reason why he should not be a member of the staff here and attend to other matters which might come up when there is a press of work and when he has not sufficient customs duties to take his whole time.

The Department of Militia and Defence seems to send its entire business through this office and has it attended to here and I believe this makes for economy in many ways. The case came up since I have been here with regard to the collection of insurance on lightship No. 19 which was going over for the Marine & Fisheries Department and which was wrecked near Halifax. I think this has been arranged all right but there was some difficulty about it because nothing had been known previously regarding the transaction. The insurance had not been placed here nor were the papers in this office. If the contracts had been originally made through this office or had this office been notified of it and the insurance arranged here, it seems to me it would have conduced to a quicker and more certain collection when the light ship was lost. The purchase of one or more ships has been made here this year by the Department of Railways & Canals and afterwards the payments for same were authorized and arranged through this office. Do you not think it would have been more in order if the original instructions had come from the Department through this office? There is a branch of the Department of Trade & Commerce in the city which seems to have absolutely no connection at the present time with the High Commissioner's office. This was not so until last year and from the files I find that Lord Strathcona did not personally approve of the change. I remember that last year when I temporarily took over the Department of Trade & Commerce I found it necessary to have an Order in Council passed with regard to the payment of the salary of the incumbent of this office in the city as the Minister had arranged before he left, but I do not remember the exact details of the matter. In other words the connection of the various branches of the service here to this office vary all the way from the Militia Department, which apparently communicates with this office about all its matters of business, to the Trade & Commerce office in the city here which seems to have no tangible tie left with this office at all.

I submit these various cases as samples of the situation here without having put it in such shape that I could vouch for the exactness of them all, simply to give my general impression. If I were returning home next month as I expected, I intended to have a memorandum prepared which would be distinctly accurate in every particular, but there is no time at the moment nor do I think it necessary to do so just now. In fact I am dictating this hurriedly at the end of a very busy week and that must be my excuse for any inaccuracies.

I may say here that personally I have not had the slightest difficulty or unpleasantness with anyone in any part of the service here. They have always shown themselves ready and willing to discuss matters and give all information and try to meet my suggestions. My relations with all our colleagues are so pleasant that I know, without question, that I personally would have no difficulty on account of the matters I have referred to above. At the same time I do feel that the position of the High Commissioner here should be strengthened in every way that reasonably can be done. He is the representative of Canada in the eyes of the British public and should be so in reality in every way. My own feeling is that he should occupy here towards the different branches of the service about the same relation that is occupied in Ottawa by one of the Ministers when a colleague is absent or ill. Under these conditions if a Minister chooses or thinks it best in the public interest to give orders or advice in connection with any other department than his own he has the authority to do so, but of course exercises it with discretion regarding such other department and with the feeling that he must try and act as far as possible in a way that would appeal to the actual Minister as being in order and such as could be justified by himself. At the same time, of course, the policy and instructions regarding each branch here would emanate from Ottawa through this office. From what I have seen I believe that all the officials here would be pleased and satisfied with such a condition of affairs, and in fact I think that many times this summer they were really glad to have some one here to whom they could appeal and with whom they could discuss matters.

The position of the secretary here is sometimes rather difficult and particularly in relation to the various departments. Mr. Griffith is very attentive and capable. Sometimes he and the other men have not got along very smoothly and perhaps he is occasionally rather arbitrary, but it requires a special lot of patience to talk to all the people who come to this office with all kinds of difficulties and grievances. I think that on the whole he managed very well during the interregnum and I intend later on to suggest that he should get a special allowance for that time as his expenses were necessarily more than usual and he was unable to pay them out of the contingency vote as an actual High Commissioner could have done.

I have given a good deal of consideration to the status of the office here and whether it should be made a portfolio so that the High Commissioner would be a member of the Government. Mr. Harcourt told me he thought it

would be better to have this office remain as it is so that the High Commissioner would be more or less permanent and would not be considered a strictly political appointment. He did not go into details as to his reasons for this opinion but I intended to have done so fully with him during the week end we spent at Nuneham two weeks ago, but unfortunately he was so occupied attending council meetings just before war was declared that he had to stay in London all the time. I do not think he has any strong feelings on the subject and he said they would be perfectly satisfied here with whatever Canada decided to do. I talked with Mr. Colmer and Mr. Griffith on the subject. The former is rather inclined to agree with Mr. Harcourt and has given me a memorandum on the subject. On the other hand Mr. Griffith is strongly of the opinion that this office should be filled by a Minister of the Crown. I had a long talk with Sir Charles Tupper about it and he is and always has been strongly in favor of giving this office as much power and authority as can be done and having a Cabinet Minister here for that purpose.

I have had a pretty good opportunity of testing the thing here this summer as I came over simply as a member of the Government and told everyone privately and in public that I was only here temporarily. I do not think it would make much difference in the eyes of the man on the street, but I feel quite certain that a High Commissioner who is also a member of the Canadian Government would carry more weight and more authority with the public men and the Government here than could possibly be the case if he were simply a government official. I know that some people might object to this as possibly making the office more partisan so that some of the Canadians of the other political faith would not feel so comfortable in coming to the office. This would have to be carefully guarded against and at least as much attention should be shown to visitors of the opposite political persuasion. Another reason suggested by some for not having a Minister here is that whoever occupies this office should be more or less permanent as it will of course take some time for anyone to understand London ways and conditions. It might be possible to make a compromise by arranging that this office should be filled by a Minister of the Crown who should be appointed for a definite term of three or five years, although of course I see a good deal of objection to this course as in the nature of things no Minister would care to stay on here should his Government be defeated at the polls. On the whole my opinion is that we should alter the present law and make this a Cabinet position with an adequate salary (I think you suggested $25,000) so that we may give it a trial any way and see how it works out. The next few years are going to be full of problems connected with the Empire and its future relationship and the difficult question of cooperation between its component parts and I cannot but think it will help very much in the solution of these problems if Canada had a Minister in this office who would be in continual touch with the Government of Great Britain. This is particularly necessary at the present juncture and while this war continues so that there is a special reason for making the alteration now.

I realize the difficulty that a member of Parliament would have in filling this office under those conditions as it would be very hard for him to keep in touch with his constituents, which might endanger his reelection. Under ordinary normal conditions a man could go to Canada once or if necessary twice a year to keep in touch with matters at home, as there are certain parts of the season here when work is much less than usual. If this could not be done it could be arranged that a Senator should fill this office who was also a member of the Cabinet.

I am writing you in this way now because I think that, if you agree with my views, it would be well for you to amend the law at the present short session, so that you may be able to make an actual appointment here when you think best to do so.[1]

When I left home I had no discussion as to who would be eventually appointed to this office after I returned and reported to you. I took it for granted it would depend somewhat upon the report I might make and also upon the general situation. As I wrote you I intended to leave for home on September 11th. but now my departure is indefinitely postponed unless you intend to relieve me. I do not know that I should care to remain here permanently and some of my matters at home were not left in exactly as good condition as I should like for any long absence, but I am willing to stay for a while and do the best I can if you would like me to do so. No one can tell how long the war will last. My own impression is that it cannot go on for very many months as I am told that it is costing altogether ten million pounds a day, but on the other hand Lord Kitchener tells me he expects it to last eighteen months or two years. It is, of course, absolutely imperative that some one should be here to represent us under the present trying circumstances, so that I have simply cancelled my passage until I know your wishes.

Please excuse this hurried letter and after you have given it your consideration I shall be glad to know what you decide to do.

GEORGE H. PERLEY

23. *Colonial Secretary to Governor General*

TELEGRAM London, September 27, 1915

Formal request has been received from Perley with approval of Borden that he may be furnished as High Commissioner with copies of telegrams and despatches passing between you and Department and Government of Canada. In view of special position of Perley as Minister am acceding to request in his case. Arrangements will not extend to confidential communications between Governor General and Secretary of State for the Colonies.

BONAR LAW

[1] Borden replied on September 5, 1914 that the whole subject should be taken up systematically "when pressure relaxes", but he retained Perley as Acting High Commissioner for three years longer.

24. *Colonial Secretary to Governor General*

DESPATCH 920

Downing Street, September 29, 1915

Sir,

I have the honour to transmit to Your Royal Highness for the information of your Ministers, copies of correspondence with the High Commissioner respecting the communication to him of copies of despatches addressed by the Secretary of State to the Governor General and of telegrams passing between the Secretary of State and the Governor General.[1]

I have etc.

A. BONAR LAW

[ENCLOSURE 1]

Acting High Commissioner to Colonial Secretary

London, August 30, 1915

Sir,

I beg to state that, in order to maintain the purpose for which the High Commissioner's Office was established, it is essentially necessary that the practice of your Department in supplying copies of documents for the information of the High Commissioner should be unfailingly followed: and in these circumstances, after discussing the matter with Sir Robert Borden and with his approval, I have to make formal request that you will be so good as to cause arrangements to be made for the High Commissioner to be furnished, in regular course, with copies of all letters addressed by the Colonial Office to the Canadian Government, as well as with copies of all despatches passing by telegraph between your Department and the Government at Ottawa.

As the High Commissioner already receives from the Canadian Government copies of all letters addressed to the Colonial Office, a strict compliance with the request now made would provide the most expeditious way of attaining what is sought, as well as a better and less cumbersome method than that of getting copies of all documents from Ottawa.

I am etc.

GEORGE H. PERLEY

[ENCLOSURE 2]

Under-Secretary for Colonies to Secretary, High Commissioner

Downing Street, September 29, 1915

Sir,

I am directed by Mr. Secretary Bonar Law to request you to inform the High Commissioner, in reply to his letter of the 30th ultimo received on September 13th that having regard to the High Commissioner's position as

[1] See also Documents 495 and 502.

a member of the Dominion Government he will be glad to accede to his request for the regular supply of copies of despatches addressed by the Secretary of State to the Governor General, and of telegrams passing between the Secretary of State and the Government of the Dominion. Instructions have been given accordingly for copies of such papers to be forwarded to Sir George Perley from time to time.

It will of course be understood that this undertaking does not extend to personal or confidential communications with the Governor General.

I am etc.

JOHN ANDERSON

25. *Prime Minister to High Commissioner in United Kingdom*

TELEGRAM Ottawa, October 13, 1917

SECRET. From many sources it has been made clear to the Government that a special Canadian representative at Washington should be immediately appointed. Lord Northcliffe[1] is strongly of this opinion and urged it in most emphatic terms. War conditions have brought about the necessity of prompt and immediate communication with the United States Government in respect of our affairs. The multiplicity of departments and commissions at Washington leads to disastrous delay if negotiations are conducted through the Embassy which is overwhelmed with a multitude of important matters not directly concerning Canada. I propose therefore to appoint Hazen[2] and to give him the designation of High Commissioner or some suitable title. In matters that may concern the whole Empire he will of course consult with the Embassy but in matters solely touching our own affairs he would communicate direct with the United States Government and its various commissions. As the appointment will be made without delay I shall be glad to receive immediately any observations of the Colonial Secretary.

BORDEN

26. *High Commissioner to Prime Minister*

TELEGRAM London, October 16, 1917

CONFIDENTIAL. Have seen Colonial Secretary who approves idea your sending Hazen to Washington and brought it before Cabinet today. He suggests arrangement should now be for war only but I have expressed to him my opinion would be better leave this point in abeyance. He also suggests that Hazen should be attached to Embassy, though remaining entirely under your control. Long offers cable regarding this through Governor General and I have agreed his so doing that you may have formally on record views Imperial Government. Kindly advise if you wish me do anything further.

PERLEY

[1] Head of British War Mission in the United States, 1917.

[2] John D. Hazen, Minister of Marine and Fisheries, 1911-1917.

27. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, October 16, 1917

SECRET. Perley brought to my notice following telegram from Sir Robert Borden.[1] I brought the question before the Cabinet this morning. They of course realize full importance of it. I understand however that the appointment is only for the war and that future arrangements will still be open to consideration. I suggest that it would be desirable in the interests of Dominion as well as ourselves and especially having regard to what passed between your Prime Minister and myself during his recent visit that Mr. Hazen should be attached to the Embassy at Washington while of course the Dominion Government would retain full control over him.

LONG

28. *Governor General to Colonial Secretary.*

TELEGRAM Ottawa, October 18, 1917

SECRET. Your cable yesterday respecting Canadian representation at Washington. Prime Minister observes that conference during his recent visit contemplated appointment of an official who might be properly attached to Embassy, rather than an important representative to the Government who, in respect of matters directly and solely concerning Canadian interests should have recognized diplomatic status. Prime Minister fears that having regard to Hazen's position during past three years as important member of the Government, his attachment to the Embassy would be liable to misconstruction and that there is every reason to believe that it would not be congenial to Hazen himself. Prime Minister earnestly hopes that you will accept this view of the situation as, under the conditions which you suggest, it would be most difficult and probably impossible to secure the services of any person possessing the necessary status, having regard to public opinion in this country. Proposed appointment is for period of war, after which whole question of representation at Washington must be carefully reconsidered. He would be grateful if you would make Perley acquainted with terms of this message.

29. *Colonial Secretary to Governor General*

TELEGRAM London, October 24, 1917

SECRET AND PRIVATE. Your telegram October 20th. Please inform your Prime Minister that his proposal that Canada should have at Washington a representative who should have recognized diplomatic status in respect of matters directly and solely concerning Canada and should not be attached to our Embassy appears to me to raise a grave constitutional issue and as such it will call for the most serious consideration by the Cabinet. I will bring it before my colleagues without delay.

LONG

[1] Document 25.

30. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, October 26, 1917

SECRET. My private telegram October 24th. Canadian Commissioner. In a matter of such importance it is essential that there should be no misunderstanding as to what is proposed and on reflection I think there may possibly be misapprehension on both sides due to difficulty of discussion by telegraph. On the one hand I read Prime Minister's proposal in your telegram October 19th[1] for a Canadian representative at Washington, with a recognized diplomatic status, but not attached to British Embassy, as meaning that such representative would be both technically and in practice independent of Embassy. But any political unit can only have one Embassy, however it may be composed, at a foreign capital and if this were the correct meaning of the Prime Minister's proposal it seemed to me to be incompatible with the unity of the British Empire in its relations with a foreign State. If such action were taken in respect of Canada it would almost certainly be followed in regard to other Dominions and resultant position would be I think equivalent to a break-up of the Empire as at present constituted. I am convinced that Borden would scout any action likely to produce such a result and I think it quite possible that he has misunderstood the word "attached" in my telegram October 16th and on the supposition that I contemplated putting the Commissioner in the position of an ordinary "Attaché", was indicating the objections to that course. That was not at all the idea of the Cabinet here. They recognize, as I have long done, that it is desirable that Canada should have a representative at Washington who could settle matters of local interest with the United States Government, and their only point was that he should be regarded as part of His Majesty's (Embassy) thereby preserving Empire unity in a foreign State. To arrange this consistently with giving a marked status to Commissioner should not be difficult, and it occurs to me that this could best be settled by personal conference with our Ambassador if he could find time to visit Ottawa. I would try to arrange accordingly if this commends itself to Borden.

If however the above does not meet Borden's views I should be greatly obliged if he would telegraph an exact statement of what he proposes both as to the status of his representative and the mode of accrediting him to Government of United States. Pending reply I will defer a further reference to the Cabinet as until they have full information before them they cannot give proper consideration to the matter.

Please communicate this telegram to Sir Robert.

LONG

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[1] Reference is presumably to Document 28.

31. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, October 31, 1917

SECRET. The following message for you from my Prime Minister. Begins. For many years questions of great importance arising between the United States and Canada, respecting disputes as to the delimitation and use of boundary waters, the management of international fishery waters and many other subjects, have been disposed of by commissioners appointed by the two Governments or by conferences between United States and Canadian officials and with excellent results. At present Canadian Food Controller, Canadian Fuel Controller and Canadian Board of Grain Supervisors confer directly with corresponding Boards in United States and quick and efficient co-operation is thereby secured. To these methods of procedure, I am not aware that any constitutional objections have been or can be urged. They have developed naturally by ignoring old forms which have lost their meaning and adopting direct and businesslike means of communication. It is vitally important that such development should continue. Canada has now double the population with which United States commenced national career and practically same number as inhabited British Isles during the early Napoleonic wars. Her relations with the United States are of most intimate and important character and commercial and business relations between the two countries are naturally closer than those between United Kingdom and United States. Lord Bryce told us that three-quarters of work of Embassy in his time related to Canada and this ratio will probably be maintained. Yet hitherto Canada has had no representation on Embassy nor in any permanent direct way. Thus her interests have sometimes suffered from oversight or lack of information. Obviously this situation cannot continue. My proposal involves a suitable and dignified status for Canada's representative, but there is no desire to create anything in the nature of a separate Embassy. After discussion with the Ambassador who is in Ottawa, I am convinced that there will be no unsurmountable difficulty in accomplishing this. Hazen will probably visit Washington in immediate future and before appointment. The Ambassador informs us provision of suitable accommodation will be very difficult owing to needs of United States Departments and Commissions.

32. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, November 5, 1917

SECRET. Following from Prime Minister for you. Begins. We have decided that question of representation at Washington will stand until after election. At present there are serious difficulties about securing accommodation. Hazen has been appointed Chief Justice of New Brunswick, and it is anticipated that he will be Chief Representative of Canada on a proposed Commission to confer with the United States Government on important question touching Atlantic and Pacific fisheries. In January the Government, if returned to power, will take up again the general question of representation at Washington.

33. *Memorandum from External Affairs Legal Adviser to Prime Minister*

Ottawa, January 30, 1918

1. I left Ottawa Saturday afternoon, January 26, and reached Washington on Sunday evening. A heavy snow fall having delayed my return by 24 hours, I reached here today (Wednesday) at noon.

2. At the Embassy I discussed the proposal for a Canadian War Mission with Mr. Colville Barclay, Chargé d'Affaires, and Sir Richard Crawford, Commercial Adviser, showing them the draft Report to Council.

3. They raised no sort of difficulty and Mr. Barclay undertook to inform the State Department of the proposal in a general way. At first he proposed to say to the State Department that the Chairman of the Canadian War Mission would act "under" the Ambassador. In answer to this I requested that he should either employ some other phrase or, better, that the point should not be mentioned at all as it seemed unnecessary. Finally the latter course was agreed on and it was also understood that if the State Department asked any question on this Mr. Barclay would merely reply in some vague fashion.

I did not go into any great elaboration of this point with the Embassy nor did they seek to enlarge upon it. In this respect the device of making the Chairman of the Canadian War Mission "directly responsible to the Cabinet" is I think useful. It would scarcely be congruous to speak of him as being "under" any other individual. Lord Northcliffe, when he was sent out by the War Cabinet as Head of the British War Mission, was not, one gathers, considered to be "under" the Ambassador.

4. As instructed I also said that it would be better that the Canadian Government should make its own communication to the Imperial Government concerning the proposals, and it was accordingly understood that the Embassy should not say anything to the Foreign Office.

5. The only point raised at the Embassy as to the wording of the draft Report to Council concerned the words in paragraph 3, "to establish and maintain the friendliest possible relations not only with the United States authorities but also with the other British and Allied representatives in the United States". They thought the inclusion of "British representatives" in this clause conveyed an undesirable implication, and added something—which I did not clearly understand—about such words being more applicable to a treaty. As the paragraph seemed practically the same without it I thought the clause might be dropped altogether. As will be seen later, however, a rewording of this paragraph was suggested from another quarter.

6. In the 7th paragraph of the draft, which empowers the Chairman, "in complete consultation with His Majesty's High Commissioner and Special Ambassador at Washington, to conduct negotiations with the Government of the United States relating to affairs which, while directly concerning Canada, may also affect the interests of the British Commonwealth

as a whole", the Embassy thought the alternative words which had been suggested—i.e. "conjunction" instead of "consultation", and "engage in" instead of "conduct"—would be better.

7. Both Mr. Barclay and Sir Richard Crawford wished that whoever was to be Chairman should be assured of their strong desire to co-operate and be of any assistance in their power at any time. I mentioned this to Mr. Harris.

8. I saw Mr. Harris and discussed the matter at length with him, both before and after going to the Embassy. He was entirely satisfied with the terms of the draft, though he suggested an additional paragraph which seems good and which was put in form as follows (to go in as paragraph 1):

> 1. The Canadian War Mission shall consist of the Chairman and such other members in such capacities as may be appointed by the Governor in Council on the recommendation of the Chairman.

Mr. Harris had it in mind to ask a number of prominent Canadian business men to go to Washington to assist him in various aspects of the work, and as they would give their services without pay, he thought such a paragraph would be useful as giving them a certain status and so making it easier to ask them to join him.

This would also involve a change in the last paragraph in order to pay the expenses of the additional members.

9. Mr. Harris thought it would be quite enough for all practical purposes to empower the Chairman to deal with "Heads of the Departments" etc. and that it was unnecessary to retain the words, "the Government of the United States", in that connection.

10. Mr. Brand also came into the discussion in behalf of the British War Mission. He and Mr. Harris felt that the two Missions could in many cases make arrangements for joint and therefore economical organization of work and that some expression should be included in the draft to emphasize this as well as the desirability of general co-operation between the two Missions. Accordingly the following is submitted to take the place of paragraph 3 of the first draft:

> The Canadian War Mission shall endeavour to act in the closest conjunction with the British War Mission at Washington and shall, through such arrangements as may be agreed upon between them, strive to avoid duplication or conflict of organization and effort and to promote the utmost co-operation with the United States and the Allies in the prosecution of the war.

11. Accordingly a new draft report to Council[1] is submitted herewith, embodying the points indicated above. I have changed the wording of the preamble and enacting clause slightly to conform to these changes.

[L. C. CHRISTIE]

[1] See Document 35 for Order in Council as passed.

34. *Memorandum from Ambassador in United States to Governor General*

Ottawa, January 31, 1918

NOTES ON THE MANNER IN WHICH CANADIAN BUSINESS IS TRANSACTED IN WASHINGTON

Matters which concern the Dominion and another colony or Dominion or third country are referred to the Foreign Office, and no action is taken by the British Embassy until the Foreign Office has sent its instructions. This may lead to considerable delay, as was the case in the fishery question concerning Newfoundland as well as Canada. The Foreign Office consulted the Colonial Office, who consulted Newfoundland, who delayed a reply, with the result that no action was taken in a matter in which the interests of Canada were deeply involved.

In matters concerning only Canada and the United States, the general procedure has been as follows: the papers relating to each question are kept in separate files; action is taken in conformity with the wishes of the Dominion Government expressed in writing through the Governor General; this action is of a formal and official character, and follows the letter of the instructions. Should a question arise involving verbal explanations, the Embassy conducts such conversations with the State Department and, with the permission of the State Department, with the competent Department of the United States Government. When the question at issue is brought to a critical stage, the Canadian Government, on its own suggestion, or by the suggestion of the Embassy or of the United States, has been in the habit of sending a competent official from Ottawa to Washington, a journey of under twenty-four hours. This official is presented by the Embassy to the State Department, and when their permission has been obtained, to the competent Department of the United States Government. The Canadian official communicates direct with the United States officials, and embodies the result of his verbal communication in a memorandum which is communicated to the Canadian Government and to the Embassy, where it is kept on file. The Canadian official is either the head of the Department concerned—for instance, Mr. Hazen—or else the Under-Secretary of State for External Affairs, Sir Joseph Pope, who is intimately acquainted with all the leading officials in Washington. On ordinary diplomatic questions arising between the Dominion and the United States, for instance, questions of money compensations, purchase of ships, railway material etc., Sir Joseph Pope has been accustomed to proceed to Washington and conduct the necessary verbal communications there. The State Department approves of this arrangement, and is very willing that business should be transacted direct by the heads of the Canadian Departments concerned, with the corresponding number in the American Government. The part that the Embassy plays is merely to inform the State Department and to stand aside until the negotiation is completed, or until an official communication from the Embassy to the

United States Government becomes necessary. Such official communication, of course, is communicated in copy to Ottawa and London. It has been the custom of the British Ambassador to go to Ottawa at least twice a year in order to confer with the Governor General and his Ministers, and to make verbal reports and explanations as to the business in Washington and the political situation. Under war conditions an immense amount of technical business as to munitions, supplies, shipping, etc., has been carried on direct between persons representing Canadian interests or the Canadian Government and the various committees now in Washington directing and controlling the war industries on behalf of the United States Government. There is as yet no central organization representing the interests of Canada as a whole. Should the decision be made to establish such a central organization, the question involved is one merely of business convenience, and does not involve any diplomatic question unless, of course, communications are made in the name of such a central organization direct to the United States Government regarded as a Government. In such cases it would become necessary to refer the matter to the Embassy as is done by the British War Mission when diplomatic communications become necessary, although this is only occasionally the case.

To sum up the situation, Canada takes advantage of her geographical situation and the short distance between Ottawa and Washington in order to transact Canadian business direct with the Department of the United States Government which deals with such business. This is a distinct advantage such as is enjoyed by no other country on this continent in its dealings with the United States. Although technically irregular from the diplomatic point of view, the State Department raises no objection as long as it is informed of the fact that such direct relations take place, and as long as no engagement is entered into without the express permission and consent of the Secretary of State. The question of direct diplomatic representation of Canada is naturally a very complicated one and requires for its solution the consent of the United States Government, which would not allow any diplomatic representative to be accredited at Washington without its consent being given. A minor question to which, however, some attention should be given, is connected with the dignity of the Dominion, which should demand a position for its representative, should it have one, at least equal to that of Mexico and Brazil, who have their own Ambassadors. If, therefore, the Dominion on the analogy of Bavaria or Saxony in certain countries, has its own direct representative in Washington, the position of such representative should be a very high one and the cost would be very considerable. At the present moment, Canada profits by its geographical situation, and has the exceptional position of the right of free and direct access to all the Departments of the United States Government. It should not, however, be forgotten that dignity requires reciprocity in this respect, and that United States officials should also in their turn visit Ottawa should the occasion arise. Mr. Root attached much importance to this, and himself visited Ottawa on several occasions. A similar arrangement was made by the Laurier Government

during the reciprocity negotiations. On the other hand, there is a good deal to be said for a system under which the initiative lies with Canada, who can send her official whenever she is so inclined, whereas it might not be always thought desirable to receive the visit of the United States official.

C[ECIL] S[PRING] R[ICE]

35. *Order in Council*

P.C. 272 February 2, 1918

The Committee of the Privy Council have had before them a report, dated 30th January, 1918, from the Right Honourable the Prime Minister, submitting that many important matters affecting Canada's participation in the war are directly and continuously concerned with conditions and the course of events in the United States. More especially, since the entry of the United States into the war, the great desirability has become apparent, not only of providing adequate representation of the interests of the Dominion in that country, but also of securing the most effective co-operation between Canada and the United States in respect of many economic and financial measures vitally connected with the prosecution of the war. The progressively growing demands in both countries for increased production, agricultural, industrial and mining; the critical urgency of transportation problems on sea and land; the need of more comprehensive organization to engage the utmost force of our human power for economic as well as military purposes, these considerations emphasize the present need of effective co-operation. The increasing importance to the Allied cause which the North American continent is assuming in these and other aspects demands that the relations between the two countries be conducted with the greatest possible understanding and harmony.

The Prime Minister observes that out of such considerations there has arisen the inevitable necessity for frequent and prompt communication and negotiation between the authorities of the Canadian and the United States Governments. In view however of the extent and complexity of the war organization which has necessarily been developed by both, such negotiations are subject to serious delay if conducted through the usual diplomatic channel; for His Majesty's Embassy in Washington are obliged in the prevailing conditions to deal with an ever increasing multitude of important affairs not directly concerning Canada, and indeed the negotiations in question are not diplomatic in their nature but rather are largely of a business and commercial character requiring different, more direct and prompt treatment. As a consequence the custom, which had already arisen before the war, of arranging conferences from time to time between Canadian and United States Officials for specific purposes of common concern, has since been greatly developed with marked benefit.

The Prime Minister further observes that the development in all these respects, however, has been such that some more direct, less casual, less transient arrangement for securing the object indicated should be devised.

This, it is believed, can best be obtained by the appointment of an appropriate Canadian representative to be stationed at Washington. At the same time it is obviously essential that, while a suitable and dignified status should be accorded to such a representative, yet no step would be desired by the Canadian people nor should be taken which could be construed as being in any way incompatible with the unity of the British Commonwealth in its relations with a foreign state.

The Prime Minister is of the opinion that these ends may be attained by the institution of a Canadian War Mission in the United States under the Chairmanship of a man of high business qualifications, wide knowledge, experience and energy, who shall be directly responsible to the Cabinet.

The Prime Minister, therefore recommends that Your Excellency in Council, under the authority of the War Measures Act, 1914, may be pleased to institute a Canadian War Mission in the United States of America (hereinafter referred to as the Canadian War Mission) and to appoint an officer to be known as the Chairman of the Canadian War Mission (hereinafter referred to as the Chairman); and that the functions, powers and duties of the Chairman and of the Canadian War Mission be defined as follows:

1. The Canadian War Mission shall consist of the Chairman and such other members in such capacities as may be appointed by the Governor in Council on the recommendation of the Chairman.

2. The Chairman shall be empowered to represent the Cabinet and the heads of the various Departments and other administrative branches of the Government of Canada in respect of negotiations relating to purely Canadian affairs which it may be necessary to conduct—

(*a*) With the heads of the Departments or other administrative branches, committees or commissions, or other officials, of the Government of the United States;

(*b*) With the other British or Allied Missions operating in the United States in connection with the war.

3. Unless special exception is expressly made in any case by the Governor in Council, the Chairman shall exercise general supervision and direction—with the object of co-ordinating their action—over all officers of the Government of Canada who are or may hereafter be stationed in the United States to represent the interests of any Department or other administrative branch of the Government of Canada in respect of matters connected with or incident to the prosecution of the war.

4. The Canadian War Mission shall endeavour to act in the closest conjunction with the British War Mission at Washington and shall, through such arrangements as may be agreed upon between them, strive to avoid duplication or conflict of organization and effort and to promote the utmost co-operation with the United States and the Allies in the prosecution of the war.

5. On questions of importance arising directly out of his Mission the Chairman shall have the right to communicate direct with the Prime Minister; on matters of less importance, or of departmental detail, he will communicate with the head of the Department or administrative branch concerned, either direct or through the representative of the Department or administrative branch in the United States.

6. The Chairman will keep His Majesty's High Commissioner and Special Ambassador at Washington generally informed of the main lines of his action and will request the Ambassador's advice or assistance whenever these may be required.

7. The Chairman shall be entitled to be informed on all negotiations between His Majesty's Government and the Government of the United States in so far as they affect Canada.

8. The Chairman shall further be empowered, under special direction from the Prime Minister and in complete conjunction with His Majesty's High Commissioner and Special Ambassador at Washington, to engage in negotiations with the Government of the United States relating to affairs which, while directly concerning Canada, may also affect the interests of the British Commonwealth as a whole.

9. (*a*) The Chairman may engage office accommodation and purchase such equipment as may be necessary, employ such staff and clerical and other assistants at such rates of remuneration as may be authorized by the Governor in Council, and the Chairman and other members of the Canadian War Mission shall be paid their expenses incurred in connection with the exercise of their duties hereunder.

(*b*) Such expenditures and the expenses generally of the Canadian War Mission shall be chargeable to the War Appropriation Vote.

The Committee concur in the foregoing and submit the same for approval.

36. *Governor General to Ambassador in United States*

PARAPHRASE OF TELEGRAM Ottawa, February 2, 1918

SECRET. Canadian War Mission has been appointed by Canadian Government to look after Canadian affairs in United States. Lloyd Harris of Brantford is Chairman, a man of high business qualifications and formerly Member of Parliament, who will be directly responsible to Cabinet. Ambassador will be kept generally informed by Mission of main lines of action and when required Mission will request Ambassador's advice and assistance. Think arrangement will be quite satisfactory to H. M. Government and Ambassador.

Repeated to Colonial Office. Despatch follows.

DEVONSHIRE

37. *Governor General to Colonial Secretary*

SECRET DESPATCH

Ottawa, February 6, 1918

Sir,

With reference to my secret telegraphic despatch of the 2nd instant on the subject of the institution of a Canadian War Mission in the United States of America, I have the honour to enclose, herewith, a copy of an approved Minute of the Privy Council for Canada,[1] upon which my telegram was based.

My Prime Minister, in recommending the institution of the Mission, points out the importance of providing adequate representation of the interests of the Dominion in the United States, and also of securing the most effective co-operation between Canada and that country in respect of many economic and financial measures vitally connected with the prosecution of the war. He further represents that this co-operation can best be attained by the appointment of an appropriate Canadian representative at Washington and points out that, while suitable status should be accorded to such representative, it is not intended that any steps should be taken which could be construed as being in any way incompatible with the unity of the British Commonwealth in its relations with a foreign state. Such representative is to be known as the Chairman of the Canadian War Mission and this official will be directly responsible to the Canadian Cabinet.

The functions, powers and duties of the Chairman and of the Canadian War Mission are fully defined in Minute of Council.

A copy of the Minute has been communicated to His Majesty's Chargé d'Affaires at Washington.

I have etc.

DEVONSHIRE

[1] Document 35.

CHAPTER II

THE WAR, 1914-1918

Entry into war; conduct of the war, including consultations with United Kingdom; formation of Canadian Expeditionary Force; war loans; war supplies; naval policy; ship-building policy; requisitioning of ships; Ministry of Overseas Military Forces in the UK; Canadian participation in Royal Flying Corps; Military Service Conventions; the Siberian Expedition; preparation for a peace conference; the Armistice.

38. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, August 1, 1914

In view of the impending danger of war involving the Empire my advisers are anxiously considering the most effective means of rendering every possible aid and they will welcome any suggestions and advice which Imperial naval and military authorities may deem it expedient to offer. They are confident that a considerable force would be available for service abroad. A question has been mooted respecting the status of any Canadian force serving abroad as under section sixty nine of Canadian Militia Act the active militia can only be placed on active service beyond Canada for the defence thereof. It has been suggested that regiments might enlist as Imperial troops for stated period, Canadian Government undertaking to make all necessary financial provision for their equipment, pay and maintenance. This proposal has not yet been maturely considered here and my advisers would be glad to have views of Imperial Government thereon.

ARTHUR

39. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, August 1, 1914

URGENT. My Government desire me to send you the following: My advisers while expressing their most earnest hope that peaceful solution of existing international difficulties may be achieved and their strong desire to co-operate in every possible way for that purpose, wish me to convey to His Majesty's Government the firm assurance that if unhappily war should ensue the Canadian people will be united in a common resolve to put forth every effort and to make every sacrifice necessary to ensure the integrity and maintain the honour of our Empire. . . .

ARTHUR

40. *Colonial Secretary to Governor General*

London, August 2, 1914

TELEGRAM

With reference to your telegram 1st August, His Majesty's Government gratefully welcome the assurance of your Government that in the present crisis they may rely on wholehearted co-operation of the people of Canada. Publish this with your telegram. I am publishing in to-morrow morning papers here.

HARCOURT

41. *Colonial Secretary to Governor General*

London, August 3, 1914

TELEGRAM

SECRET. With reference to your cypher telegram 2nd August.[1] Please inform your Ministers that their patriotic readiness to render every aid is deeply appreciated by His Majesty's Government, but they would prefer postponing detailed observations on the suggestion put forward, pending further developments. As soon as situation appears to call for further measures I will telegraph you again.

HARCOURT

42. *Under-Secretary of State for External Affairs to King's Printer*

Ottawa, August 4, 1914

Sir,

I am desired by the First Minister to request you to publish in an extra of *The Canada Gazette* under the date of to-day, the enclosed notice announcing that war has broken out with Germany.

I have etc.

JOSEPH POPE

[ENCLOSURE]

August 4, 1914

His Royal Highness the Governor General received a telegraphic despatch from the Secretary of State for the Colonies at 8.45 this evening, announcing that war has broken out with Germany.

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[1] Presumably Document 38.

43. *Colonial Secretary to Governor General*

TELEGRAM London, August 4, 1914

Please communicate to your Ministers following message from His Majesty the King and publish: I desire to express to my people of the Overseas Dominions with what appreciation and pride I have received the messages from their respective Governments during the last few days. These spontaneous assurances of their fullest support recalled to me the generous self-sacrificing help given by them in the past to the Mother Country. I shall be strengthened in the discharge of the great responsibilities which rest upon me by the confident belief that in this time of trial my Empire will stand united, calm, resolute, trusting in God. GEORGE R.I.

HARCOURT

44. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, August 4, 1914

Following for the King: In the name of the Dominion of Canada I humbly thank Your Majesty for your gracious message of approval. Canada stands united from the Pacific to the Atlantic in her determination to uphold the honour and tradition of our Empire.

ARTHUR

45. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, August 4, 1914

SECRET. Please communicate following to War Office: Great exhibition of genuine patriotism here. When inevitable fact transpires that considerable period of training will be necessary before Canadian troops will be fit for European war, this ardour is bound to be dampened somewhat. In order to minimize this, I would suggest that any proposal from you should be accompanied by the assurance that Canadian troops will go to the front as soon as they have reached sufficient standard of training.

ARTHUR

46. *Colonial Secretary to Governor General*

TELEGRAM London, August 4, 1914

SECRET. Though there seems to be no immediate necessity for any request on our part for an expeditionary force from Canada, I think, in view of their generous offer, your Ministers would be wise to take all legislative and other steps by which they would be enabled without delay to provide such a force in case it should be required later.

HARCOURT

47. *Order in Council*

P.C. 2049 August 4, 1914

The Committee of the Privy Council have had before them a report, dated 4th August, 1914, from the Minister of the Naval Service, submitting that section 23 of the Naval Service Act, Chapter 43 of the Statutes of 1910, provides that:

> 23. In case of an emergency the Governor in Council may place at the disposal of His Majesty, for general service in the Royal Navy, the Naval Service or any part thereof, any ships or vessels of the Naval Service, and the officers and seamen serving in such ships or vessels, or any officers or seamen belonging to the Naval Service.

An emergency having arisen, the Minister recommends that H.M.C.S. *Niobe* and H.M.C.S. *Rainbow,* together with the officers and seamen serving in such vessels, be placed at the disposal of His Majesty for general service in the Royal Navy.[1]

The Committee concur in the foregoing recommendation and submit the same for approval.

48. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, August 5, 1914

Government of Canada have by Order in Council 4th August placed H.M.C.S. *Niobe, Rainbow,* together with officers and men serving in them at disposal of His Majesty for general service in Royal Navy.

ARTHUR

49. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, August 5, 1914

My Government being desirous of putting beyond doubt status of Canadian volunteers, request that His Majesty may be pleased to issue an order bringing these volunteers under Sections 175 and 176 of the Army Act.

ARTHUR

50. *Order in Council*

P.C. 2067 August 6, 1914

The Committee of the Privy Council have had before them a report, dated 6th August, 1914, from the Minister of Militia and Defence, representing,— in view of the state of war now existing between the United Kingdom, and the Dominions, Colonies and Dependencies of the British Empire on the

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[1] Canada also possessed two submarines which were placed at the disposal of the Admiralty by Order in Council P.C. 2072 of August 7, 1914. The story of how these submarines came into Canadian possession is told in Gilbert N. Tucker, *The Naval Service of Canada,* Ottawa, 1952, Vol. I, pp. 283-303.

one side, and Germany on the other side, creating a menace to the well-being and integrity of the Empire, and having regard to the duty of the Dominion of Canada as one of these Dominions to provide for its own defence and to assist in maintaining the integrity and honour of the Empire,—that it is desirable to mobilize Militia units of the various arms of the service to such effective strength as may from time to time be determined by Your Royal Highness in Council, such units to be composed of officers and men who are willing to volunteer for overseas service under the British Crown; to organize and equip them for war and to make and perfect all arrangements necessary to enable them to enlist and be enrolled for service under His Majesty's Government, should that Government so desire.

The Minister recommends, in order that this purpose may be carried out, that Your Royal Highness authorize the raising and equipment of such units of such effective strength as aforesaid, the concentrating of them at some point to be selected by the Minister of Militia, with Your Royal Highness's approval, and to make and perfect all arrangements necessary to enable them to enlist and be enrolled for service under His Majesty's Government should that Government so desire, upon such terms of engagement and for such service as may be deemed advisable.

The Committee concur in the foregoing and submit the same for Your Royal Highness's approval.

51. *Order in Council*

P.C. 2068 August 6, 1914

Whereas in view of the state of war existing between the United Kingdom and the Dominions, Colonies and Dependencies of the Empire, on the one side, and Germany on the other side; and in view of the fact that thereby the Dominion of Canada is liable to invasion and other assaults of a hostile nature, such an emergency has arisen as calls for the placing of the Militia on "active service."

Therefore His Royal Highness the Governor General in Council, under the authority of Section Sixty-nine of the Militia Act, is hereby pleased to order that such corps or parts of the Militia as may from time to time, with the approval of the Governor General in Council, be named or designated in General Orders published in *The Canada Gazette,* be placed on active service in Canada.

52. *Colonial Secretary to Governor General*

TELEGRAM London, August 6, 1914

SECRET. With reference to my telegram of August 4. His Majesty's Government gratefully accept your offer to send expeditionary force to this country, and would be glad if it could be despatched as soon as possible. Suggested composition follows.

HARCOURT

53. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, August 7, 1914

SECRET. Status of Canadian volunteers. My Government most anxious for reply to my telegram of August 5th asking for publication of Order by His Majesty to settle the question.

ARTHUR

54. *Governor General to Colonial Secretary*

DESPATCH 448 Ottawa, August 7, 1914

Sir,

I have the honour to transmit, herewith, copies of an Order in Council[1] placing the Naval Forces and the Naval Volunteer Forces of the Dominion on active service.

I have etc.

ARTHUR

55. *Governor General to Colonial Secretary*

DESPATCH 456 Ottawa, August 7, 1914

Sir,

I have the honour to transmit, herewith, copies of an approved Minute of the Privy Council for Canada[2] providing for the enlistment, organization and equipment of an expeditionary force from the Canadian Militia for overseas service under the British Crown.

I have etc.

ARTHUR

56. *Colonial Secretary to Governor General*

TELEGRAM London, August 7, 1914

SECRET. My telegram of 6th August. Army Council consider one division would be suitable composition of expeditionary force.

HARCOURT

57. *Colonial Secretary to Governor General*

TELEGRAM London, August 8, 1914

SECRET. Referring to my telegram 6th August, Army Council state that a certain proportion of army troops will be required in addition to force mentioned. You will be furnished later on with suggested numbers.

HARCOURT

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[1] For P.C. 2050, August 4, 1914 and relevant material see *Sessional Papers*, 1914, No. 40 and Nos. 40a-40d.

[2] Document 50.

58. *Acting High Commissioner to Prime Minister*

TELEGRAM London, August 8, 1914

CONFIDENTIAL. Had interview this morning with Kitchener who wishes personally and on behalf of War Office express his very grateful and sincere thanks for Canada's splendid offer troops. Hopes you can send him full division of twenty to twenty five thousand. Says he can use all you think best to send. His appointment as Minister War has given highest satisfaction.

PERLEY

59. *Colonial Secretary to Governor General*

TELEGRAM London, August 9, 1914

With reference to your telegram of August 7, His Majesty is graciously pleased to order that the troops offered by Canada shall be raised by your Royal Highness for service as expeditionary force. It is suggested that terms of attestation should be as follows:—(*a*) for a term of one year unless war lasts longer than one year in which case they will be retained until war over. If employed with hospital depots of mounted units and as clerks, etcetera, they may be retained after termination of hostilities until services can be dispensed with but such retention shall in no case exceed six months. (*b*) To be attached to any arm of service should it be required of them. Men should be attested by magistrate.

HARCOURT

60. *Prime Minister to First Lord of the Admiralty*

TELEGRAM Ottawa, August 13, 1914

Following telegram just received from Premier McBride[1] and submitted for your consideration. Begins. Press reports indicate Japan mobilization. It would be well get in touch with Admiralty personally. Do not hesitate to say that in event British loss Japan would not hesitate co-operate with Germany. I know of treaties with Canada and England but in this time these of little or no consequence. Without intending any serious alarm would like to have you consider as I have outlined. Ends.

BORDEN

61. *Acting High Commissioner to Prime Minister*

TELEGRAM London, August 13, 1914

SECRET. CONFIDENTIAL. Please give your personal consideration selection officer command contingent.

PERLEY

[1] Sir Richard McBride, Premier of British Columbia, 1903-1915.

62. *First Lord of the Admiralty to Prime Minister*

TELEGRAM London, August 14, 1914

SECRET. Japan has had grievance against Germany since 1895 and her alliance with us involved her very closely in the war. In these circumstances a menacing communication from the German Ambassador to the Japanese Foreign Minister has been decisive. Japan enters war of her own free choice. She must be welcome as a comrade and an ally. The naval situation is very secure everywhere but entry of Japan will of course make Pacific absolutely safe very soon. Tell McBride we are sending two powerful British cruisers to Pacific Coast. Please reassure him privately. Any declaration against entry of Japan into war would do harm. We are full of admiration here for all your doings.

CHURCHILL

63. *Acting High Commissioner to Prime Minister*

TELEGRAM London, August 18, 1914

CONFIDENTIAL. SECRET. Have twice consulted highest authority. Thinks mistake change Minister Militia at this juncture. If you prefer Canadian for command suggest Kirkpatrick now in India who would have to be communicated with promptly and could be here in about three weeks. If you wish Englishman much prefer last two you mentioned but would like opportunity considering matter further and perhaps submitting more names for your selection. Please reply promptly and say when contingent probably ready.

PERLEY

64. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, August 26, 1914

Following from White. Consult Imperial Government confidentially regarding prospect of our floating in London a war loan of eight or ten million pounds early this Fall. Impossible to make issue here as funds could come only from banks which are endeavouring to meet commercial demands and take care of Canadian maturing Treasury Bills in London. United States Government unfavourable to issue there. If direct loan not feasible would Imperial Government loan us amount in exchange for or upon security of our standard debenture stock which is British Trustee Security.

BORDEN

65. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, August 28, 1914

Minister is wiring War Office suggesting Dundonald, Carew and Alderson. He considers Alderson best qualified by far and will ask suggestions from War Office as to these or other names. Force might be sent in about two weeks but Minister thinks highly advisable to hold for training until about 23rd September.

BORDEN

66. *Acting High Commissioner to Prime Minister*

TELEGRAM London, August 28, 1914

Following for White. Find other Dominions require loans also. Held meeting this morning High Commissioners will ask Chancellor Exchequer meet us early next week discuss whole question. Please advise how soon whole eight to twelve million pounds will be required. Give approximate amount needed each month so that I may be able give information when asked.

PERLEY

67. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, August 29, 1914

Following from White. Regarding war loan you may point out that we have imposed additional taxation of about twelve million dollars annually and have taken authority to increase Dominion note issue against twenty-five per cent margin of gold from thirty to fifty million dollars. We are also curtailing capital expenditures where possible. We estimate that thirty-five million dollar war loan will be adequate to carry us until March thirty-first end of fiscal year. It would be convenient to obtain it at rate of five million dollars per month beginning with September. Point out to Chancellor that our large capital expenditure has necessarily been partially met by borrowing and that the sudden cessation of Canada's borrowings in Great Britain and United States has created a situation which will require some months to readjust even with most economical financing on our part. A Dominion issue here would aggravate prevailing financial conditions which will undoubtedly improve with time.

BORDEN

68. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, August 31, 1914

Following from White. If we get war loan for thirty-five million dollars spread over next seven months can take care of Dominion Treasury Bills maturing in November and all our other requirements until end of fiscal year. Our Banks will be able to look after Provincial and municipal maturing Treasury Bills with such help as we can afford here by advances to them of Dominion notes under recent legislation. We must however get the war loan.

BORDEN

69. *Acting High Commissioner to Prime Minister*

TELEGRAM London, September 2, 1914

With other High Commissioners had very satisfactory interview with Chancellor Exchequer and other high officials. Told them Canada would need one million pounds per month. Was asked if this all required for war purposes. Told them it would be and while you might use some temporarily at first for other purposes you had imposed twelve million dollars per annum new taxation and could take care of all maturing liabilities and ordinary expenses by your increased revenue and reduced expenditure so that five million dollars per month would represent eventually nothing but war expenditure. Did not confine my request to seven months only but simply one million pounds per month without specifying any limit. New Zealand and South Africa both need loans. Sir George Reid[1] was not present. Chancellor Exchequer very promptly and cheerfully agreed to see that we were furnished with this money but exact method was not decided. Personally am of opinion and expressed it strongly that best way would be for Imperial Government lend us money and include same in their own borrowings. Much prefer this to using Canadian securities guaranteed by Imperial Government as suggested in some quarters. Even such guaranteed securities really not saleable just now. Chancellor Exchequer will consider further exact method provide money and let us know later. Am sure it will be arranged but until finally settled please consider it confidential.

PERLEY

70. *Acting High Commissioner to Prime Minister*

TELEGRAM London, September 7, 1914

CONFIDENTIAL. Advised Kitchener your cable August 29th about Commander contingent. Saw him Saturday, says approves Hughes' preference Alderson and will designate him for command Canadian division but will not

[1] High Commissioner of Australia in United Kingdom, 1910-1915.

make actual appointment until Contingent ready as Alderson now busy at other work. Any additional men sent by Canada over full division will be placed under some other command here. Kitchener tells me intends training Canadians on Salisbury Plain and is having place prepared for that purpose.

PERLEY

71. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, September 7, 1914

Several Ministers attended Valcartier review yesterday. Appearance and bearing of twenty-two thousand men reviewed was highly satisfactory. Over thirty-three thousand men assembled at Valcartier besides Farquhar's regiment at Levis. Altogether about forty three thousand men under arms in Canada. Magnificent progress in organization of camp has been accomplished and conditions are entirely satisfactory. Only delay now necessary is complete supplies, equipment and clothing which will occupy about two weeks. Please confidentially sound Harcourt as to desirability and necessity of our expeditionary force being increased to say forty thousand men by dispatch of second contingent. How many do Australia and New Zealand each propose to send. Have any Russian troops gone to France through Great Britain.

BORDEN

72. *Colonial Secretary to Governor General*

TELEGRAM London, September 8, 1914

The King has been graciously pleased to send the following message to the Governments and peoples of His Self-Governing Dominions:

To the Governments and Peoples of my Self-Governing Dominions

During the past few weeks the peoples of my whole Empire at home and overseas have moved with one mind and purpose to confront and overthrow an unparalleled assault upon the continuity of civilization and the peace of mankind. The calamitous conflict is not of my seeking. My voice has been cast throughout on the side of peace. My Ministers earnestly strove to allay the causes of strife and to appease differences with which my Empire was not concerned. Had I stood aside when in defiance of pledges to which my Kingdom was a party, when the soil of Belgium was violated and her cities laid desolate, when the very life of the French nation was threatened with extinction, I should have sacrificed my honour and given to destruction the liberties of my Empire and of mankind. I rejoice that every part of the Empire is with me in this decision.

Paramount regard for treaty faith and the pledged word of rulers and peoples is the common heritage of Great Britain and of the Empire.

My peoples in the Self-Governing Dominions have shown beyond all doubt that they whole-heartedly endorse the grave decision which it was necessary to take.

My personal knowledge of that loyalty and devotion of my overseas Dominions has led me to expect that they would cheerfully make the great efforts and bear the great sacrifices which the present conflict entails. The full measure in which they have placed their services and resources at my disposal fills me with gratitude, and I am proud to be able to show to the world that my peoples overseas are as determined as the people of the United Kingdom to prosecute a just cause to a successful end.

The Dominion of Canada, the Commonwealth of Australia, and the Dominion of New Zealand have placed at my disposal their naval forces which have already rendered good service for the Empire. Strong expeditionary forces are being prepared in Canada, in Australia and in New Zealand for service at the front, and the Union of South Africa has released all British troops, and has undertaken important military responsibilities, the discharge of which will be of the utmost value to the Empire. Newfoundland has doubled the number of its branch of the Royal Naval Reserve and is sending a body of men to take part in the operations at the front. From the Dominion and Provincial Governments of Canada large and welcome gifts of supplies are on their way for the use of both my naval and military forces and for the relief of the distress in the United Kingdom, which must inevitably follow in the wake of war. All parts of my overseas Dominions have thus demonstrated in the most unmistakable manner the fundamental unity of the Empire amidst all its diversity of situation and circumstance.

HARCOURT

73. *Acting High Commissioner to Prime Minister*

TELEGRAM London, September 10, 1914

CONFIDENTIAL. Regarding your suggestion second contingent wish say greater number soldiers Empire has sooner war should be finished. British Army will grow larger each month. Personally would like see second contingent sent if can be done satisfactorily and would vote for that if at home. This war sure to alter situation and relationship various parts Empire. What Canada does at this time immensely appreciated and will not be forgotten.

PERLEY

74. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, September 12, 1914

Following from White. Replying your letter twenty-eighth August impossible for Dominion to meet obligations unless Bank of England discounts our Bills or Imperial Government makes us advance. American market closed against us and British market will take nothing but Imperial securities. Inflation of Dominion currency here beyond what we shall be obliged to do to assist Provinces and municipalities and commercial community through banks most inadvisable. If Imperial Government unwilling to assist directly they can arrange with Bank of England to discount Dominion Bills thus making our bills floaters and readily saleable. Canadian finances almost paralyzed by cessation of money flow from England and United States.

BORDEN

75. *Order in Council*

P.C. 2448 September 26, 1914

The Committee of the Privy Council have had before them a report, dated 24th September, 1914, from the Right Honourable the Secretary of State for External Affairs to whom was referred a secret despatch from the Right Honourable the Secretary of State for the Colonies, dated 1st September 1914, on the subject of the composition of the Canadian Expeditionary Force.

The Minister states that it has been decided to despatch to England the entire force now under arms at Valcartier, namely, one division with army troops, line of communication units, and a surplus over war establishment of about forty per cent, making a total in round numbers of 31,200 all ranks and 7,500 horses. Additional transports will of course be required, but the entire force, it is hoped, will embark next week under the escort already promised.

The Minister observes that it has not been overlooked that further reinforcement may be required by the time the force has been twelve months in the field; and provision will be made accordingly.

The Minister further observes that the advisability of sending reinforcements to England, there to be trained and held ready for immediate despatch to the front, is fully recognized; and steps will be taken in the direction indicated.

The Committee on the recommendation of the Right Honourable the Secretary of State for External Affairs advise that Your Royal Highness may be pleased to inform the Right Honourable the Secretary of State for the Colonies in this sense.

All of which is respectfully submitted for approval.

76. *Acting High Commissioner to Prime Minister*

TELEGRAM London, September 29, 1914

Suggestion that Imperial Government might avail themselves proposals made for further enlistments in Canada does not appeal to me. No doubt they would welcome more men but believe they would find it impossible give Canadian rates pay. Consider this course would be mistake from Canadian point view, as what we have done has produced splendid impression here and it would be difficult explain reason why Canada was not providing and paying for these additional soldiers. As we have started paying all expenses for troops feel strongly we should do same for all that may come from Canada. Think no more should come than we can manage pay for ourselves. Personally don't believe you should be deterred by financial considerations from sending more men and paying their expenses as think can arrange with Imperial Government get further advances whatever sums required for such purpose. Please give this further consideration before having me discuss it with Government here. Will postpone asking for further loan until this question settled. Advise White.

PERLEY

77. *Colonial Secretary to Governor General*

TELEGRAM London, October 2, 1914

Your telegram September 25th. Your Ministers can rely on our bearing carefully in mind the possibilities of Canada as a source of supply of materials for war purposes and on our taking full advantage of them as occasion arises. Perley is in personal communication with War Office and in addition correspondence is taking place between War Office and Militia Department.

HARCOURT

78. *Order in Council*

P.C. 2477 October 3, 1914

The Committee of the Privy Council have had under consideration a report, dated September 28, 1914, from the Right Honourable the Secretary of State for External Affairs, inviting the attention of Your Royal Highness to the fact that the military authorities are constantly receiving requests from subjects of various countries of Europe—Belgium, Russia, Servia, etc., resident in Canada, volunteering for service, and in this connection the Minister also refers to a secret telegraphic despatch dated the 9th September, 1914, from His Majesty's Ambassador at Washington, intimating that many Poles in the United States are anxious to go to Canada to enlist in a British force.

The Minister, with reference to these offers, represents that although the Canadian Government could not undertake to equip these volunteers they could despatch them in parties to Europe, provided that their respective

Governments, or His Majesty's Government, would defray the expenses and cost of transportation. The Canadian Government could also deal in a similar manner with those who cross the southern frontier voluntarily—provided they are not naturalized Americans.

The Committee, on the recommendation of the Right Honourable the Secretary of State for External Affairs, advise that Your Royal Highness may be pleased to forward copies of this Minute, if approved, to the Right Honourable the Secretary of State for the Colonies for the information of the War Office, and also to His Majesty's Ambassador at Washington.

All of which is respectfully submitted for approval.

79. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, October 6, 1914

SECRET. The Dominion Government offers to place and maintain in the field a second oversea contingent of twenty thousand men. If the offer be accepted, what form should that contingent take? Having parted with nearly all our 18-pounder guns, we cannot offer a complete division; but besides infantry, we could furnish mounted rifles and units fighting or administrative required for special purposes.

ARTHUR.

80. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, October 7, 1914

Following from White. Referring previous cables respecting increased loan we have determined to take immediate steps to organize and send second contingent of twenty two thousand. Think can get along until end March if you can arrange for additional amount asked for preferably three million pounds. My burden will be heaviest between now and January on account maturing Treasury Bills and interest and subsidies end December. Intend imposing heavy additional taxation coming Session. Expenditure will be more controllable next year.

BORDEN

81. *Colonial Secretary to Governor General*

DESPATCH 774

Sir, London, October 8, 1914

I have the honour to acknowledge the receipt of Your Royal Highness's despatch No. 551 of the 22nd ultimo enclosing a Minute of the Privy Council regarding a loan of £7,000,000 from the Bank of England to the Dominion of Canada.

2. I take this opportunity to place on record the fact that with the concurrence of the Bank of England and the Honourable G. H. Perley, arrangements have been made whereby His Majesty's Government will give financial assistance to the Government of the Dominion of Canada with a view to enabling them to meet expenditure connected with the war, up to an amount not exceeding £7,000,000 in respect of the period ending March 31 next.

3. The arrangements are as follows:

(1) That the money should ultimately be lent by His Majesty's Government to the Government of the Dominion out of the proceeds of the General War Loan which is in contemplation, and at the rate of interest at which His Majesty's Government themselves will borrow (the discount on any interest bearing securities issued at a discount being of course added to the capital of the debt).

(2) That, pending the issue of the General War Loan temporary accommodation should be given to the Government of the Dominion by the Bank of England upon the understanding that the amounts advanced by the bank under this arrangement will be repaid by His Majesty's Government out of the proceeds of the first General War Loan.

I have etc.

L. HARCOURT

82. *Colonial Secretary to Governor General*

TELEGRAM London, October 9, 1914

His Majesty's Government cordially thank the Government of Canada for the generous offer of a further contingent. As soon as the first contingent arrives and has been examined the details of the organization of the new contingent will be carefully considered and communicated to your Government.

HARCOURT

83. *Acting High Commissioner to Prime Minister*

TELEGRAM London, October 10, 1914

SECRET. Regarding co-operation Canada naval defence[1] during war Admiralty inform me don't think anything effectual can now be done as ships take too long to build and advise Canadian assistance be concentrated on Army. Would probably give that advice if official inquiry made.

PERLEY

[1] On October 8 Borden had asked the Acting High Commissioner what course the Admiralty would advise if Canada offered naval aid.

84. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, October 18, 1914

Pending the arrival of advices from the War Office as to the composition of the second contingent, my advisers have thought it desirable to issue the following statement which has been given to the press this evening:—

As to the organization and despatch of further contingents the following conclusions have been reached:

1. From the present time until the end of the war, or so long as the War Office shall deem it advisable, Canada will keep continuously in training and under arms (in addition to the eight thousand men above mentioned) thirty thousand men.

2. As soon as arms, guns and equipment can be provided for a force of ten thousand men, that force will be despatched to Great Britain, as the first instalment of a second expeditionary force. Thereupon additional men will be enlisted so as to keep the number under training continuously at thirty thousand. This process will continue from time to time; that is to say, as soon as each force of ten thousand men is armed, equipped and despatched another force of ten thousand will be enlisted to take its place and to bring the number in training up to thirty thousand.

3. It is anticipated that the first force of ten thousand men will be despatched in December, and thereafter at regular intervals similar forces will be continuously sent forward as rapidly as they can be armed and equipped.

4. Including the forces on garrison and outpost duty we shall thus have under arms or in training about forty thousand men in Canada and, until the end of the war or until the War Office advises that further expeditionary forces are not needed, a steady stream of reinforcements will go forward from our shores to the seat of war.

5. If the expected communication from the War Office should make any modification in the above arrangement necessary that modification will be announced at a later date.

6. The Government is informed by its military advisers that it would be impossible to supply arms, guns and equipment on a larger scale than that laid down in these proposals.

7. Pending advices from the War Office as to the composition of the second contingent, which have not yet been received, infantry to the number of sixteen or twenty thousand will be immediately enlisted and the organization and training of infantry units will be proceeded with throughout the Dominion, from Halifax to Victoria.

8. As soon as the expected instructions arrive from the War Office immediate arrangements will be made for enlisting such cavalry, artillery, engineers and administrative units as the War Office may advise.

9. The organization of these units and the forces contemplated by these proposals will be under the direction of officers commanding divisions and military districts and will be carried out by them.

ARTHUR

85. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, October 19, 1914

SECRET. McBride here for several days. He is strongly impressed with importance my visiting Great Britain and arranging definite programme for war with Treasury, War Office and Admiralty in which case he desires to accompany me. Am not confident that any more definite programme can be prepared than that arranged through you. McBride's idea seems largely based on spectacular effect. I would be glad to have your views. Am not specially impressed by McBride's suggestion and in any case would not go unless visit were desired by Imperial Government.

86. *Colonial Secretary to Governor General*

TELEGRAM London, October 20, 1914

With reference to your telegram of the 16th October and your telegram of the 18th October. Army Council are anxious not to give definite reply as to the composition of second contingent until sufficient opportunity has been afforded for examining composition of and arrangements for contingent which has just disembarked. Disembarkation of troops and their transfer to concentration station has been somewhat delayed, but it is hoped that it will be possible to give definite reply within very few days.

HARCOURT

87. *Ambassador in United States to Governor General*

DESPATCH 224

Sir, Washington, October 27, 1914

I have the honour to transmit to Your Royal Highness herewith copy of a despatch which I have today addressed to His Majesty's Principal Secretary of State for Foreign Affairs concerning articles which have appeared lately in the American press with reference to statements made by Dr. Dernburg, late German Colonial Minister, and Count Bernstorff as to Canada and the Monroe Doctrine.

CECIL SPRING RICE

[ENCLOSURE]

Ambassador in United States to Foreign Secretary

DESPATCH 341

Sir, Washington, October 27, 1914

Dr. Dernburg, late Colonial Secretary in the German Government, who is now in this country on a mission from his Government similar to that which he performed with such signal success in England some years ago, in the course of a lecturing tour stated on the 22nd at Newark that the German Ambassador had stated to the United States State Department that no matter what happened in the course of the war she would respect the views held by the United States regarding the Monroe Doctrine. This declaration was made in the first three weeks in August. Dr. Dernburg proceeded to contrast this attitude on the part of Germany with the violation of the spirit of the Monroe Doctrine which was implied in the action recently taken by Canada in giving her help to England. This statement was referred to Count Bernstorff, the German Ambassador here, who said that early in September he had communicated to the State Department the intention of the German Government in regard to the Monroe Doctrine. He said the statement had been made in writing.

The State Department officials appeared to be at first entirely unaware that the German Government had made any such notification but a search of the files revealed a note delivered on September 3rd. The Department made public the contents of the note in the following statement:

> The German Ambassador on September 3rd last in a note to the Department of State, stated that he was instructed by his Government to deny most emphatically the rumours to the effect that Germany intends, in case she comes out victorious in the present war, to seek expansion in South America.

The State Department said that this denial by the German Government was entirely voluntary and not in response to any enquiries from the State Department.

In a subsequent statement Count Bernstorff said that the note was sent by the German Government because of the fact that the British Government had brought to the attention of the State Department the charge that Germany intended if victorious to seek expansion in South America. This particular charge, as I need not say, is absolutely untrue and was immediately denied at the State Department. In another explanation the German Embassy made the following statement: "the note was written at that time because Winston Churchill had said in his message to the American people that if Germany was victorious in the present war she would attack the Monroe Doctrine." Count Bernstorff also made the declaration that "a German invasion of Canada for a temporary foothold on the American Continent would not be a violation of the Monroe Doctrine and therefore Germany could take this step if necessary, without running counter to American principle." In the opinion of Count Bernstorff Canada, in sending troops

to Europe, was not acting in the spirit of the Monroe Doctrine and had placed herself beyond the protective influence of that doctrine. Dr. Dernburg, however, found it necessary to explain that Germany would not only refrain from seeking territory in South America but would extend the principles of the Monroe Doctrine to Canada and leave that land untouched.

The press in its comments upon the series of Statements observes that the German Ambassador's assurance is not a matter of very great moment as long as the British fleet stands in her way. But the general impression left by the incident is not a very favourable one and it is generally understood that Count Bernstorff and Dr. Dernburg have added one more to the list of unfortunate statements which they have issued in the name of their Government.

Among other observations which suggest themselves, I venture on the remark that no mention has been made of the West Indies, where Germany is generally supposed to have particular ambitions, nor has allusion been made to the promise made to you, Sir, that in the event of English neutrality, Germany would content herself with the Colonial possessions of France. I may also remark that the mention of the possibility of Germany making military operations on this continent seems to have made a profound impression on public opinion and is not likely to be forgotten.

I have etc.

CECIL SPRING RICE

88. *Colonial Secretary to Governor General*

TELEGRAM London, October 31, 1914

With reference to my telegram of the 20th October, Army Council suggest that Second Canadian Contingent should be organized so as to form with balance of Canadian troops now in England a second Canadian Division complete with proper proportion of line of communication units. Following units to complete 2nd Division therefore will be required: Two Brigades of Infantry of 8,654 men, 494 horses, 16 machine guns; H. Q. Divisional Artillery of 18 men, 20 horses; three Brigades of Field Artillery, 2,541 men, 2,244 horses, 54 guns; Heavy Battery and Ammunition Column, 211 men, 144 horses, 4 guns; Divisional Ammunition Column, 609 men, 709 horses; H. Q. Divisional Engineers, 10 men, 8 horses; two Field Companies, 464 men, 152 horses; Cyclist Company, 200 men; Signal Company, 171 men, 80 horses; Divisional Train, 451 men, 378 horses; three Field Ambulances, 726 men, 178 horses. Line of Communication Units required will be Divisional Ammunition Park M.T., 464 men; Divisional Supply Column M.T., 265 men; Reserve Park (two-horsed), 289 men, 358 horses; Field Bakery, 92 men; Field Butchery, 20 men; Railway Supply Detachment, 61 men; two Depot Units of Supply, 26 men. Grand total, 15,272 men, 4,765 horses, 58 guns, 16 machine guns. Army Council add that it is very important that provision should be made to meet wastage (of?) officers and men and they therefore urge that efforts should be made to furnish *pari passu* with organ-

ization of 2nd Division reinforcements equal to twenty per cent of strength of first and second Canadian Divisions and that after completion of 2nd Division additional troops which it is eventually proposed to raise should be so organized as to be readily utilized for purposes of maintaining the two Divisions at full effective strength. It appears from your telegram of 6th October that difficulties were anticipated in forming complete Division (owing to?) deficiency of guns. Army Council wish to know as soon as possible whether it is to be understood from your telegram of the 19th October that guns now can be provided by Canada as they themselves are unable to make such provision for any fresh Canadian troops for at least 9 months or possibly more.

HARCOURT

89. *Colonial Secretary to Governor General*

DESPATCH 840

Downing Street, October 31, 1914

Sir,

With reference to my despatch No. 774 of the 8th October, I have the honour to transmit to Your Royal Highness for the information of your Ministers copy of a letter from the Honourable G. H. Perley on the subject of a further loan of £5,000,000 from the Bank of England to the Government of Canada.

2. The Lords Commissioners of the Treasury have agreed that this further loan shall be made on the same terms as the loan of £7,000,000 mentioned in my despatch above referred to.

I have etc.

L. HARCOURT

[ENCLOSURE]

Acting High Commissioner to Colonial Secretary

London, October 15, 1914

Sir,

Some time ago, with the concurrence and at the request of the Chancellor of the Exchequer, the Bank of England agreed to advance to the Dominion of Canada seven million pounds during the period ending March 31st next.

On account of increased war expenditure, the Dominion Government found it necessary to ask for a further advance of five million pounds, making twelve million pounds altogether, up to the end of next March. With the concurrence of the Treasury, I have now arranged with the Bank of England for this further advance to be made on the same terms and conditions as the first loan of seven million pounds, and an Order in Council will forthwith be passed at Ottawa confirming the same.

I should like to express through you my personal thanks, and the appreciation of the Canadian Government, for the assistance and consideration which His Majesty's Government has shown us in this connection.

I am etc.

GEORGE H. PERLEY

90. *Order in Council*

P.C. 2831 November 7, 1914

The Committee of the Privy Council have had before them a Report, dated 6th November, 1914, from the Acting Minister of Militia and Defence, recommending—it having been decided to keep continuously under arms in Canada a force of 30,000 men (in addition to those required for garrison duty and protective services)—that the Minister of Militia and Defence be empowered to mobilize now, or as required, or to proceed with the mobilization of:

(*a*) The Second Overseas Contingent, total 15,272 men, as detailed in the accompanying statement.

(*b*) Seven battalions of infantry, approximately 7,700 men.

(*c*) Four regiments of mounted rifles, approximately 2,400 men.

(*d*) The balance of 4,826 required to make up the total of 30,000 men.

(*e*) Troops required in Canada to replace the Second or any subsequent Contingent, or any portion thereof, after its embarkation overseas.

[ANNEX]

Statement showing in detail the composition of the Second Overseas Contingent

Field Units:	
Infantry (two brigades, each of four battalions)	8,654
Artillery (ten batteries, 58 guns)	3,379
Engineers (two field companies)	474
Cyclist company	200
Signal company	171
Divisional train (four companies, A.S.C.)	451
Medical service (three field ambulances)	726
Line of Communication (A.S.C.) units:	
Divisional ammunition park	464
Divisional supply column	265
Reserve park	289
Field bakery	92
Field butchery	20
Railway supply detachment	61
Depot units of supply	26
Total	15,272

91. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, November 21, 1914

Canadian Government have decided to increase number of men in training from thirty thousand to fifty thousand.

ARTHUR

92. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, November 25, 1914

Vickers Company have made various proposals to us for building destroyers and submarines in Canada but proposals not yet entertained. Suggestions have been made during past three months by naval authorities at Halifax and I understand by Admirals visiting that port, that its defence would be more secure if submarines and destroyers were available. Defence of Halifax as a naval base is of course highly important. If Admiralty consider proper defence of port demands these additional safeguards could we secure them from Admiralty temporarily pending construction and completion of necessary number to be constructed by Vickers and to be completed in about eighteen months from date of furnishing drawings and specifications.

BORDEN

93. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, November 26, 1914

SECRET. Harry Cockshutt representing Adams Wagon Company Brantford has just informed me that hundreds are out of employment in his city for the reason that both British and French Governments have absolutely refused to give orders in Canada for wagons. Our manufacturers ask consideration only in cases where they can supply articles of equal quality at same cost. Cockshutt has employed active agents of first class standing in London and has personally gone to see French Commission in New York but can obtain no answer from either government except refusal unaccompanied by any reason. This is only one illustration of many that continually come to me. Joseph Armstrong has just made similar representations. Not only the people of Canada as a whole but individuals are making sacrifices hitherto undreamed of to support Empire in this war. A very painful and even bitter feeling is being aroused throughout the Dominion. Men are going without bread in Canada while those across the line are receiving good wages for work that could be done as efficiently and as cheaply in this country. You cannot emphasize too strongly the considerations set forth in this message. Public opinion is being so seriously aroused as to most gravely affect our future action.

BORDEN

94. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, November 26, 1914

Following from White. Our financial position becoming serious on account uncontrollable expenditure for ordinary public works and on capital and investment accounts and customs revenue being almost cut in half. We owe Bank Montreal five million and have issued nearly all of additional ten million Dominion notes referred to in recent Order in Council. Consider it absolutely necessary we should issue say three million pounds Treasury notes in lots of a million pounds each during December and early January. Have been offered short date money in New York but on sentimental grounds and on account pride London has had in furnishing Dominion money think American market should be left to our Provinces and municipalities. There must be abundance short date money in London and I request you see Treasury and explain position. Six months or yearling issue would suit us. My intention is to impose heavy additional taxation in budget but impossible to fully meet situation in this way. Situation so urgent that if necessary I shall come over as money must be obtained. The demands upon me exceedingly heavy and apart from this it is necessary we should continue to borrow rather heavily for at least a year to avoid necessity gold exports.

BORDEN

95. *Acting High Commissioner to Prime Minister*

TELEGRAM London, December 1, 1914

Following for White. Have seen permanent Secretary Treasury explained our position that require issue three and perhaps five million pounds Treasury Bills in lots one million each. Treasury quite satisfied have us do this privately not by public subscription. Treasury advise and think financial authorities generally would agree we should sell yearlings if money obtainable at half per cent over six months rate as hoping war will be finished inside twelve months. Arranged with Treasury explain matter Bank England so they would understand situation. Manager Bank Montreal says think can now place million pounds six months four and half per cent or yearlings five per cent. Says rate liable be slightly higher later this week but probably easier after December seventh. Please instruct him place first million pounds. Quite agree with your letter should sell much as possible permanent stock at reasonable price as being best way financing.

PERLEY

96. *Acting High Commissioner to Prime Minister*

TELEGRAM London, December 2, 1914

My cable November twenty eighth regarding wagons particularly and generally difficult situation in Canada respecting war orders. Placed your cable before Lord Kitchener in personal letter and have discussed it with Secretary Colonies who has at my request brought question to attention Prime Minister himself and explained its importance. Am endeavouring obtain from War Office facts regarding wagons. Inform Rogers.[1]

PERLEY

97. *Acting High Commissioner to Prime Minister*

TELEGRAM London, December 4, 1914

Have consulted Churchill who considers there is no immediate military need for submarines at Halifax and other requirements are urgent. He sees no reason for your undertaking any special new construction at present for purpose mentioned and says you should reassure your people on subject. Writing.

PERLEY

98. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, December 15, 1914

My Ministers would be glad if it could be brought to attention of His Majesty's Government and to the attention of the French and other Allied Governments through the proper channels that Canadian manufacturers are prepared to deliver at first cost large quantities of the following articles if they should be needed by any of these Governments: Picketing pegs and posts, shovels, mess tins, stock blankets, picks, pick-handles, sweaters or cardigans, flannel shirts, underclothing, short sheep-lined coats (limited quantity of long sheep-lined coats), mitts, both leather and woolen, socks, cap comforters, cholera belts, mackinaw coats, canned goods, braces, caps (cloth and regular uniform caps), uniforms, great coats, rubber sheets, tooth brushes, hospital beds, absorbent cotton, etc., boots.

ARTHUR

99. *Acting High Commissioner to Prime Minister*

TELEGRAM London, December 28, 1914

Would have liked pleasure seeing you and White but no urgent need your coming here just now.

PERLEY

[1] Robert Rogers, Minister of Public Works, 1912-1917.

100. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, January 6, 1915

CONFIDENTIAL. Am informed by my Prime Minister that Canadian Government have not recommended and do not recommend any person or persons to act as agents or middlemen for His Majesty's Government, or for any of the Allied Governments, respecting purchase of munitions of war or other necessary supplies. Prime Minister also informs me that the Canadian Government are of course desirous of co-operating in every effective way with His Majesty's Government, and will whenever desired, afford any available information respecting any persons who desire to act in above mentioned capacity.

ARTHUR

101. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, January 6, 1915

Following from White. Referring to my cable of yesterday I have been giving much consideration to the question whether, if Imperial Government does not object, it would not be advisable for us to borrow from them only what we require for war expenditure and make permanent flotations from time to time as in the past to supply our ordinary requirements on capital account. This course has suggested itself to me on the information given me by Sir Frederick Taylor that the market will soon be able to take public flotations but on a higher interest basis. The advantage of this course would be that our floating indebtedness to the Imperial Government would be kept within bounds and we should not have such a large amount to fund after end of war. I feel we should be largely guided by wishes of Imperial Government with respect to market. Recently I have been offered two year money in New York but do not like to leave British market unless obliged. We are feeling no financial pressure now but I think it desirable to consider question of policy in advance. Please cable me your views in a general way.

BORDEN

102. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, January 7, 1915

Following from White. Replying your cable yesterday we expect that with present resources and funds we shall receive from Imperial Government under present arrangement we shall be able to pay our way and pay off our temporary indebtedness to Bank of Montreal by end of present fiscal year. We shall then enter upon next fiscal year with excess note circulation of

ten million dollars and Treasury Bills fifteen million maturing June making twenty-five millions in all apart from war and our general expenditure. After increasing revenue to utmost by taxation measures we shall require to borrow for capital, special, investment and statutory expenditure such as interest on Grand Trunk Pacific and Canadian Northern guaranteed securities say one hundred million dollars. I cannot estimate special war expenditure accurately but we shall ask an appropriation of one hundred millions. My view is we should borrow the latter or say ten million a month during next fiscal year from Imperial Government and raise our other requirements by loans to be issued say February or earlier, June, October and January of next year in amounts of say five million pounds each issue. Wire me your views.

BORDEN

103. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, January 14, 1915

Following from White. In your interview with Treasury suggest you ascertain whether it would be the wish of Imperial authorities that we should borrow to any extent in New York. Think fairly favourable rate can be obtained for large twenty-five or thirty year loan but not so favourable as British trustee list market rate. In connection with any such proposal we should have to consider effect upon our English market especially if securities were sent over from United States for sale there later. No doubt at present borrowing in New York would assist exchange rates between Canada and United States.

BORDEN

104. *Colonial Secretary to Governor General*

TELEGRAM London, January 16, 1915

SECRET. Am informed by Admiralty that it is found necessary to undertake construction of submarines for His Majesty's Government in Vickers Canadian Company's yard at Montreal. The contract is with Bethlehem Steel Corporation of New York, who originally contemplated construction at port on East coast of United States, but this procedure has been modified owing to diplomatic considerations. Therefore, materials for boats are being conveyed to Vickers Canadian Company's yard at Montreal so that work can be completed and boats delivered at Montreal to Admiralty officers. Bethlehem Steel Corporation still remain responsible contractor for supply of materials, work of construction, completion and delivery, Admiralty and Vickers Canadian Company's representative in London having arranged for permission for use of Vickers Canadian Company yard. Occupation of yard for submarines will, it is feared, somewhat unfavourably affect progress of ice-

breaker and dredger understood to be in hand to the order of your Government, but His Majesty's Government hope, as Admiralty judge it vitally necessary to use every means for earliest possible delivery of submarines, that any inconvenience will be excused.

When communicating the above to your Ministers for their personal and confidential information please inform them that matter is of very great importance and that all the above should be kept absolutely secret.

HARCOURT

105. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, January 19, 1915

SECRET. Your letter 26th December. You can safely arrange to remain for the next eight months at least, and doubtless during continuance of war, unless elections should intervene which is not probable. Hope to visit London shortly after session.

BORDEN

106. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, January 21, 1915

SECRET. Your cable 16th January. My advisers inform me that they will gladly co-operate with His Majesty's Government to expedite construction of submarines at Montreal, and they warmly welcome and appreciate the construction of these submarines in a Canadian shipyard. They would, however, be grateful if a somewhat earlier intimation could be given to them as to the intention of His Majesty's Government in such matters as it seemed inappropriate that an arrangement made by His Majesty's Government which involved interference with work undertaken by the company for my Government should in the first instance be communicated to my advisers by the company itself. Moreover the labour difficulties which were created by bringing workmen from the United States and in respect of which my advisers were asked to take an important step would have been dealt with much more easily if they had known in advance the nature and urgency of the proposal.

ARTHUR

107. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, February 2, 1915

SECRET. My advisers inform me that reports as to conditions at Salisbury Plain which have reached families and friends of men of first Expeditionary Force have not aided the cause of rapid recruiting throughout the Dominion.

ARTHUR

108. *Colonial Secretary to Governor General*

TELEGRAM London, February 9, 1915

SECRET. With reference to your telegram of February 6th,[1] I am requested by the Secretary of State for War to say that he did not intend that his statement as to Salisbury Plain should be submitted to Parliament and he considers that all matters of military interest should be withheld from publication as far as possible.

HARCOURT

109. *Prime Minister of New Zealand to Prime Minister*

TELEGRAM Wellington, March 4, 1915

Have you any objection to telegraphing me strictly confidential number men Canada has already sent to the front, secondly number men in train and thirdly what Canada intends to do for the future in this connection.

MASSEY

110. *Prime Minister to Prime Minister of New Zealand*

TELEGRAM Ottawa, March 5, 1915

Your telegram March 4th. Have sent 35,000 overseas of whom the Princess Patricia's Canadian Light Infantry battalion and we believe a full division with its complement of lines of communication units are at the front, the remainder in England. Secondly 48,000 in training here besides 8000 on garrison duty and 1000 in Bermuda. Thirdly an additional division is ready to go forward whenever required. Thirteen regiments of Canadian Mounted Rifles have also been organized for service abroad. We propose to keep 50,000 continuously in training in Canada, recruiting up to this number according as contingents or drafts are sent forward until no more are needed.

BORDEN

111. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, March 23, 1915

SECRET. My advisers are convinced that Canadian export and import trade is facing serious conditions on account of shortage ocean transport due to requisitioning of so many of the best carrying vessels from principal steamship lines. Only three cargo and one passenger vessel now left to Canadian Pacific Steamship Company. The best steamships of Allan line have been taken. Canadian Northern line all taken. My advisers earnestly hope that War Office will realize absolute necessity that Canadian Pacific steamships be returned as asked for by that company.

ARTHUR

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[1] In which the Governor General consulted the Colonial Secretary on Borden's behalf about the propriety of laying before Parliament a message from Kitchener on the subject of conditions on Salisbury Plain. For fuller account see Col. G. W. L. Nicholson, *The Canadian Expeditionary Force, 1914-1919*, Chap. II.

112. *Acting High Commissioner to Prime Minister*

TELEGRAM London, April 3, 1915

SECRET. War Secretary sent for me showed me two cables from Hughes and his two replies regarding Command Second Contingent. Hughes suggests Steele but Kitchener not willing place him in command Division in field. Says very experienced officers necessary in such positions to do justice to troops and ensure safety Division as well as rest of army. Kitchener has cabled Hughes that he has no objection to Steele coming over in charge of Contingent if Steele clearly understands that when contingent takes field as Division other arrangements for its command will have to be made. War Secretary asks me advise you of this and considers that Commanding Officer should be appointed by him but would endeavour select one of whom you would approve, after consultation as was done for first contingent. He hopes you will approve of this course. Mentioned to him comments made in Canada regarding Seely to which he replied that he considered Seely good officer and particularly for training but if you preferred not having Canadians go to front under Seely he would try to make some different arrangement.

PERLEY

113. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, April 7, 1915

Submarines now under construction at works Canadian Vickers Montreal will be completed very soon. This will throw over two thousand men out of employment. It is most desirable under present conditions that this should be avoided if possible. Vickers are prepared to construct at Montreal submarines, destroyers or cruisers and will guarantee satisfactory delivery. Please urge upon Admiralty great importance giving Canadian Vickers reasonable share orders for any war-craft of these classes required in immediate future. It is necessary in order to keep organisation effective that any such orders should be given without delay as five or six hundred of the men now employed must otherwise be discharged within next two weeks. The action of British Government in requisitioning many Canadian ships has greatly lessened former opportunities for employment in Montreal Harbour and therefore there is the greatest necessity to keep Vickers works occupied. We have never understood why the Admiralty should have given orders for submarines in first instance to United States when every facility was available in Canada at Montreal and elsewhere for constructing them.

BORDEN

114. *Colonial Secretary to Governor General*

TELEGRAM London, April 8, 1915

Your telegrams of March 9th and March 23rd with reference to your Despatch 9th March secret. I have discussed with Admiralty question of requisitioning of steamers referred to. Admiralty hope to release shortly one of the Canadian Pacific and one of the yachting vessels but they regret it is impossible at present to forgo use of remainder including three steamers which were chartered by Dominion Coal Company.

Admiralty point out that it is essential for Naval and Military requirements to take first place at present juncture and that it is for shipowners to do their utmost to assist by economizing tonnage and chartering fresh steamers. They also state that there is additional tonnage available for chartering companies and point out that the expense of chartering is repaid to the charterer by the high freights now prevailing.

Admiralty endeavours as far as possible to distribute requisitions equally over all firms and have undertaken to bear constantly in mind the pressing needs of the Dominion for tonnage.

HARCOURT

115. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, April 10, 1915

Telegram received. The wonderful expedition with which submarines have been constructed at Montreal must convince Admiralty that they can be constructed here as speedily as anywhere on this continent. Explanation of Admiralty officials is very unsatisfactory and unconvincing as they made no effort whatever to obtain information as to what could be accomplished in Canada.

BORDEN

116. *Ambassador in United States to Governor General*

TELEGRAM Washington, April 14, 1915

SECRET. With reference to your telegram of February 14th, may I be informed of the names of the Shell Committee mentioned therein? Are they a Government body or otherwise reliable?

SPRING RICE

117. *Governor General to Ambassador in United States*

DESPATCH 109 Ottawa, April 21, 1915

Sir,

With reference to Your Excellency's despatch of the 14th April, I have the honour to inform you that the members of the Shell Committee are appointed by the Minister of Militia and Defence, and their names are:

Brigadier-General T. Benson, Master General of the Ordnance.
Colonel A. Bertram, Chairman.
Hon. Lieut.-Colonel G. W. Watts.
Lieut.-Colonel T. Cantley.
Lieut.-Colonel C. Greville-Harston, Chief Inspector of Arms and Ammunition.
Lieut.-Colonel F. D. Lafferty, R.C.A., Superintendent of Dominion Arsenal.
Hon. Lieut.-Colonel D. Carnegie, M.I.C.E., Ordnance Adviser.
E. Carnegie, Esquire.
J. W. Borden, Esquire, Accountant and Paymaster-General, Department of Militia and Defence.

I have etc.

ARTHUR

118. *Colonial Secretary to Governor General*

TELEGRAM London, April 21, 1915

Army Council propose to appoint Canadian Pacific Railway as purchasing agents for them in Canada. Secretary of State for War would be glad if you would inform Sir T. Shaughnessy that if he could come to England he would much like to discuss with him certain points about distribution of orders in Canada and out-put of munitions of war by C.P.R.

HARCOURT

119. *Order in Council*

P.C. 859 April 27, 1915

The Committee of the Privy Council have had before them a report, dated 24th April, 1915, from the Right Honourable the Secretary of State for External Affairs, representing that he has received many evidences of the kindly assistance shown by various representatives of the United States, more particularly in Europe and Asia Minor, to Canadians who found themselves suddenly placed in situations of danger or difficulty by reason of the outbreak of war, assistance which not infrequently proved of the utmost value to those who profited thereby.

The Minister considers that such actions call for some acknowledgment on the part of Your Royal Highness's advisers.

The Minister accordingly recommends that Your Royal Highness may be pleased to request His Majesty's Ambassador at Washington to convey to the Government of the United States their deep sense of appreciation of the uniform kindness, courtesy and effective aid, which have been freely extended to distressed Canadians during the past nine months by American diplomatic and consular representatives abroad.

The Committee concur in the foregoing and submit the same for approval.

120. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, April 30, 1915

SECRET. On twenty-first instant cable arrived from Harcourt announcing appointment Canadian Pacific Railway as purchasing agents for British Government in Canada and we conveyed message to Shaughnessy. Matter has hitherto been kept private but G.T.R. and C.N.R. have learned of it and are exceedingly disturbed and angry. They allege that C.P.R. will undoubtedly use position to further their transportation interests and that other railway systems will suffer great detriment. They declare that Harris has continually used his position to divert traffic which otherwise they would have received. Formal protest will immediately be placed before us for transmission to British Government. Grand Trunk will make vigorous protest in London direct. Does British Government intend to take out of our hands orders such as have hitherto come to Militia and Agriculture and if so for what reason?

BORDEN

121. *Order in Council*

P.C. 1033 May 8, 1915

The Committee of the Privy Council have had before them a report, dated 4th May, 1915, from the Right Honourable the Prime Minister, directing attention to the provisions of the War Appropriation Act, 1915, which set out that in addition to the ordinary grants of Parliament a sum not exceeding one hundred million dollars ($100,000,000) may be paid and applied towards defraying the expenses incurred by and under the authority of the Governor in Council during the year ending 31st March, 1916, in the conduct of the military and other operations undertaken by Canada, arising out of the European war now in progress.

In view of the special and extraordinary expenditures entailed by these operations, the Prime Minister submits that it is in the public interest that a commission be appointed, composed of persons of experience in the conduct of business affairs, who, under the authority of and responsible to the

Governor in Council, shall control the making of contracts in connection with such expenditures and perform such other functions as are hereinafter set out.

The Prime Minister, therefore, recommends that a Commission be appointed and that the constitution, powers, duties and regulations under which the Commission shall act shall be as follows:

1. The Commission shall be known as the War Purchasing Commission and shall consist of three honorary members appointed by the Governor in Council. There shall be a secretary to the Commission appointed by the Governor in Council upon the recommendation of the Commission at a salary approved by the Governor in Council.

2. The concurrence of at least two of its members shall be necessary for the execution of any act by the commission, and the act of two of its members shall be deemed to be the act of the commission.

3. All purchases of clothing, equipment, arms, guns, ammunition, horses, munitions and materials of war and supplies of every kind, and all contracts for such purchases, and all contracts for transportation, payable out of the funds appropriated by the War Appropriation Act, 1915, or out of the funds appropriated by any other Act for the purposes enumerated in the War Appropriation Act, 1915, shall be made by the commission or made under its direction and control, and the commission is hereby empowered on behalf of the Government to make such purchases and to enter into or to direct and control the making of such contracts.

4. The commission shall on behalf of the Government enter into and direct all purchases of supplies and munitions of war which the Government may undertake for the British or any allied Government, excepting such purchases as fall within the scope of the functions of the Shell Committee.

5. Before any such contract as is mentioned in paragraph 3 hereof is made, authority for expenditures out of money appropriated by the War Appropriation Act, 1915, or any Act appropriating money for the purposes for which expenditures can be made under that Act, must be given by Order in Council in accordance with the said Act. This authority may be a general authority for making expenditures necessary to effect any of the purposes authorized by the Act or it may be a specific authority approving of the making of certain purchases; and all Orders in Council hereafter passed granting such authority shall be on the recommendation of the Prime Minister, based upon the report, concurred in by the commission, of the department concerned.

6. No contract shall be made by the commission or under its authority except upon requisitions made upon the commission by the department concerned. Such requisition shall refer to the Order in Council authorizing the expenditure called for by the requisition and shall state with particularity (*a*) the articles and materials needed, the quantity and description thereof and the time and place of delivery; (*b*) the nature of the service to be

contracted for. The Commission shall have no authority to change or vary such requisition, but may in respect thereof make through the Prime Minister to the Governor in Council such representations as it sees fit.

7. In respect of all contracts to be made by the commission or to be entered into on its behalf, the following regulations shall obtain as far as practicable;

(*a*) Tenders shall be called for;

(*b*) Purchases shall be made and contracts given at the lowest price offered.

These regulations may be departed from only in cases of urgency due to military considerations of the moment or for other good and sufficient reason, and in any such case the grounds of the departure shall be clearly recorded.

8. If the contract is entered into by the commission directly or by any one on its behalf other than the officers of the department concerned, the contract and all particulars thereof shall be communicated forthwith to the department concerned. It shall be the duty of the officers of the department concerned, subject to the supervision of the commission, to see that all contracts made under the authority of Paragraph 3 hereof are performed in accordance with the respective terms of such contracts.

9. The Commission may make enquiry as to the quantities of military and naval stores and other munitions and materials of war in the possession of the Government, the respective quantities or number of the like contracted for and not delivered as well as the probable needs in the immediate future for all such stores, munitions and materials.

10. The Commission may, on the authority of and at a rate of remuneration approved by the Governor in Council, employ such expert assistants as may by the Commission be deemed necessary, in order that complete information in reference to the matters mentioned in Paragraph 9 may at all times be available, and such assistants may be employed by the Commission to revise and perfect methods of keeping records in regard thereto for the use of the Commission and the Departments concerned.

11. It shall be the duty of the Departments concerned and of all officers and employees of the Government to afford to the Commission all possible information in regard to any of the matters falling within the scope of the duties and powers of the Commission as herein set out and to co-operate with the Commission in the performance of such duties and the exercise of such powers whenever required by the Commission.

12. All relevant departmental and other records, documents and papers shall be placed at the disposal of the Commission.

13. The Commission may make report to the Prime Minister from time to time in reference to any matter within the scope of its duties as herein outlined, with any recommendations the Commission may see fit to make; and the Governor in Council and the Prime Minister may require from the Commission a report in regard to any such matters.

14. The Commission shall keep a systematic record of all its transactions.

15. The Commission shall be furnished with such office accommodation as may be necessary and may employ such number of officers, clerks and servants, at such rates of remuneration, not exceeding amounts named, as the Governor in Council may approve.

16. The members of the Commission shall be entitled to be reimbursed all travelling expenses and to be paid a living allowance of ten dollars per diem while actually engaged in the work of the Commission.

17. All salaries, wages and other expenditures incurred under the authority hereof shall be payable out of moneys appropriated by the War Appropriations Act, 1915, or any Act appropriating moneys for the purposes mentioned in that Act.

18. The following shall be the members of the Commission:

The Honourable Albert Edward Kemp, of Toronto;
George Frederick Galt, Esquire, of Winnipeg; and
Hormisdas Laporte, Esquire, of Montreal.

The first named shall be chairman.

19. All purchases of supplies and articles mentioned in the third paragraph hereof made out of the said appropriation before the passing of this minute and all contracts therefor shall be examined and reported upon by the said Commission.

The Committee concur in the foregoing and submit the same for approval.

122. *Colonial Secretary to Governor General*

DESPATCH 449

Sir,

Downing Street, May 20, 1915

With reference to Your Royal Highness's telegram of 20th March last, I have the honour to transmit, for communication to your Ministers, copy of a telegram which has been addressed by the Foreign Office to His Majesty's Ambassador at Petrograd, on the subject of placing orders by the Russian Government with Canadian firms.

I have etc.

L. HARCOURT

[ENCLOSURE]

Foreign Secretary to Ambassador in Russia

TELEGRAM

Foreign Office, March 29, 1915

Your telegram March 25th. Canadian Government state that the Keeton Motor Company of Canada is reliable and reputable company and may be depended upon to fulfill any contracts.

This information is communicated to you as the Canadian Government has specially asked that this might be done, but Army Council is strongly of opinion still that the Russian Government should place all Canadian orders not direct with agents at Petrograd, but through the British Government.

123. *Governor General to Colonial Secretary*

PARAPHRASE OF TELEGRAM Ottawa, May 21, 1915

SECRET. With reference to my cypher telegram of 3rd May and Colonial Office reply May 14th the following is for the First Lord of the Admiralty. Begins. I should like to impress on you the importance of some submarines being kept at Halifax as I hardly think the danger to which this and other Eastern Canadian ports are exposed from raiding cruisers is realised by the Admiralty. My views are supported by successive senior officers on the North American station.

ARTHUR

124. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, May 26, 1915

CONFIDENTIAL. Early in war Admiralty informed us that Canada's energies should be devoted to military forces for purposes of this war. Therefore we have done nothing for naval purposes except purchase of two submarines. Having regard to Churchill's declaration after Lusitania tragedy that cruisers and destroyers not available for protection hope you can point out at suitable opportunity extensive facilities possessed by Canada for construction submarines, destroyers and light cruisers. Assume Admiralty still hold view that our resources should be devoted to raising and equipping military forces.

BORDEN

125. *Acting High Commissioner to Prime Minister*

TELEGRAM London, May 29, 1915

CONFIDENTIAL. Two weeks ago Under-Secretary War Office wrote me that he understood Canada would provide more soldiers if they were needed and that he was requested by Lord Kitchener to say as follows. Begins. If the Dominion Government find themselves able to undertake so great a task even a larger army than already provided or contemplated in the speech of the Prime Minister would be most acceptable to the Secretary of State and the Government. It is difficult for us to place a limit upon the numbers of men that may be required in this devastating war. No numbers which the Dominion Government are willing and able to provide with arms and ammunition would be too great for His Majesty's Government to accept with deep

gratitude. Ends. I replied as follows. Begins. Before putting this forward to my Government for consideration it seems to me advisable that we should know more definitely when the War Office expects to be able to bring forward the expeditionary force already promised by Canada. The greatest difficulty is to obtain vessels to transport the troops and their equipment which can only be arranged through the War Office and the Admiralty, but I had hoped that we might have two full divisions over here before this with the necessary reserves for reinforcements. The fact that the Second Division has been held back so long in Canada has been the subject of some criticism there and I am sure it would help my Government very much when considering your proposal for further contingents if they know definitely when you are going to be able to bring over the balance of the second division with the necessary reserves. Ends. Have had no reply and hardly expect one until new Government has time take over different offices as Under-Secretary will probably be changed. Will take it up for further consideration as soon as possible. Please advise if you have any comments to make.

PERLEY

126. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, May 29, 1915

CONFIDENTIAL. Your telegram today thoroughly approve of reply to War Office will consider and telegraph again Monday if necessary.

BORDEN

127. *Acting High Commissioner to Prime Minister*

TELEGRAM London, June 10, 1915

CONFIDENTIAL. Regarding further contingents take it for granted you will delay any decision until Admiralty again says definitely whether they still wish all your efforts should be devoted to assist army. Have placed question before new Secretary Admiralty and asked for appointment discuss same but under present conditions not likely get very prompt reply. In any event submit for your consideration that while I am strongly in favour having Canada give every possible assistance we should not undertake provide more divisions than we can keep effectively supplied with necessary reserves for reinforcements. Practical difficulties in this connection are necessarily great and question is whether two full divisions with reserves say twelve or fifteen thousand will not be all you can in practice keep up to full strength at such distance from Canada.

PERLEY

128. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, June 14, 1915

CONFIDENTIAL. Present condition respecting purchase of war supplies in Canada by Great Britain and Allies quite unsatisfactory. We have persistently urged the appointment by French and Russian Governments of a Purchasing Commission in Canada. French Government appointed Hudson's Bay Company which however has operated mostly in United States and very little in Canada. Russian and Italian Governments have no agents in Canada. Russian order for shells ostensibly placed through Canada has gone almost wholly to United States. These Governments have agencies in United States but Canadian manufacturers have no success in applying to such agencies and moreover ought not to be expected to apply through such channel. Applications made to purchasing commission in London have not been very successful. Our manufacturers say it is impossible to do business with such agencies because of long delays and a certain averseness to placing orders here. Manufacturers of leather goods, woollens, underwear, knitting, boots, jams and preserved fruits are prepared and very anxious to take on large orders. Representations have been repeatedly made through you and Colonial Secretary calling attention to resources of Canada in these respects and pointing out urgent advisability of placing larger orders here in order to allay serious and growing discontent among manufacturers and labouring population. The press is full of the need of munitions and supplies and when our resources are offered so freely it is most difficult to explain the blank refusals. The chief object to be urged at present is the appointment of a resident purchasing agency for each Government. Writing.

BORDEN

129. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, June 15, 1915

SECRET. Steele thoroughly understood condition on which he went forward and we must abide by decision of Lord Kitchener with regard to him. Steele commands to remarkable degree confidence of Canadian people and especially people of Western Provinces. We would have been more than glad if Kitchener had thought him capable of taking command. Earnestly hope Kitchener will make such arrangement as Steele will consider satisfactory. Hughes knows nothing of three Generals named except Kirkpatrick of whom he has not high opinion and does not consider him strong man. Hughes strongly recommends Brigadier General Turner for command of division and informs me that men who have returned from fighting at Langemark entertain highest opinion of his ability, resourcefulness and pluck.

BORDEN

130. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, June 16, 1915

CONFIDENTIAL. My advisers are receiving very strong representations respecting limitation of market for food stuffs which may be summarized as follows:

First: There is a large supply of foodstuffs such as flour and oats, and their products, now available in Canada, and a very large crop is expected for the current year, which will create a great exportable surplus.

Second: A similar condition prevails in the United States, which competes with Canada in the sale of such products.

Third: The markets of the world are open to the United States producer and exporter, while markets hitherto available to the Canadian producer and exporter are excluded.

Fourth: It is represented that orders from Great Britain and France to Canada have practically ceased and that such orders, particularly from France, are being filled by United States exporters to whom the world's markets are open and not by Canadian exporters, whose markets are exceedingly circumscribed under prohibition created by Order in Council.

Fifth: Large orders could be filled in Dutch West Indies, in South America and elsewhere, if permission were granted.

My advisers thoroughly realize the vital importance of preventing food products reaching enemy countries, but on the other hand they are confronted with a large exportable surplus of food products for which apparently there is little or no market in Great Britain or allied countries or other countries to which export is permitted. They submit these conditions for consideration of His Majesty's Government and would be grateful for their suggestions at earliest opportunity.

ARTHUR

131. *Acting High Commissioner to Prime Minister*

TELEGRAM London, June 18, 1915

Your cable fifteenth[1] respecting appointment agents in Canada make purchases for Allied Governments. Have several times discussed this with Allies Commission here and pressed Colonial Office regarding same but find it very difficult get any definite arrangement. Have now seen Colonial Secretary twice on subject and we are considering what further steps can be taken try obtain desirable result which you would like.

PERLEY

[1] Presumably Document 128.

132. *Colonial Secretary to Governor General*

TELEGRAM London, June 18, 1915

CONFIDENTIAL. Referring to your telegram 16th June, foodstuffs, I appreciate importance of matter and will endeavour to let you have early reply.

BONAR LAW

133. *Acting High Commissioner to Prime Minister*

TELEGRAM London, June 19, 1915

Following my cable seventeenth have since written Munitions Department putting forward strongly position as stated in your cable fourteenth and drew attention to your statement in press as cabled here sixteenth. After again pressing for explicit statement of their policy have now received their concurrence to despatch to you of following message. Begins. Imperial authorities anxious to utilize Canada's resources fully in the production of munitions. Mr. Lloyd George is sending to Canada a trusted representative with full authority to complete mutually satisfactory arrangements to that end. Ends. Writing.

134. *Acting High Commissioner to Prime Minister*

TELEGRAM London, June 22, 1915

CONFIDENTIAL. Nothing finally settled regarding appointment Canadian Pacific Railway. War Office is allowing it to stand with idea that you may be here some time this summer when it can be discussed with you. Meantime orders will be placed through Canadian Pacific as occasion arises but without any definite contract. President Canadian Pacific sails for home tomorrow.

PERLEY

135. *Acting High Commissioner to Prime Minister*

TELEGRAM London, June 25, 1915

SECRET. Failing Steele I urged on Lord Kitchener wisdom and propriety appointing Canadian if one could be found suitable taking command, and asked him consult French[1] regarding our Brigadiers in France. He has now heard from French who recommends General Currie as most suitable and Kitchener will appoint him command Division if you concur. Consider this most satisfactory and hope you will approve.

PERLEY

[1] Field Marshal Sir John French, appointed to command British Expeditionary Force in France, August 4, 1914.

136. *Colonial Secretary to Governor General*

SECRET DESPATCH
Downing Street, June 29, 1915

Sir,

I have the honour to transmit to Your Royal Highness, for the information of your ministers, the papers noted below on the subject of the requisitioning by the Admiralty of the SS. *Megantic*.

I have etc.

A. BONAR LAW

[ENCLOSURE 1]

Secretary of the Admiralty to Under-Secretary for Colonies

Admiralty, June 26, 1915

Sir,

I am commanded by My Lords Commissioners of the Admiralty to transmit, herewith, for the information of Mr. Secretary Bonar Law, copy of a letter which has been sent to the High Commissioner for the Dominion of Canada relative to requisitioning of SS. *Megantic*.

I am etc.

W. GRAHAM GREENE

[ENCLOSURE 2]

Director of Transports to Acting High Commissioner

Admiralty, June 26, 1915

Sir,

I have to acquaint you that consequent upon the requisitioning by this Department of the SS. *Megantic* for urgent military service, a telegram was received from the Minister of Militia, Canada, stating that this vessel was required for the transport of troops from Canada about July 10th.

In view of the urgency of the service for which the *Megantic* is required, it is regretted that it is not practicable to dispense with requisitioning her and the Minister of Militia, Canada, has been informed to this effect.

It should be observed that the Canadian Government had not previously informed this Department that the *Megantic* was to be employed for the conveyance of Canadian troops.

I am etc.

E. J. FOLEY
For Director of Transports

137. *Colonial Secretary to Governor General*

SECRET DESPATCH
Downing Street, June 30, 1915

Sir,

With reference to Your Royal Highness' telegram of the 18th October and to my telegram of the 31st October, I have the honour to transmit to

you, for the consideration of your Ministers, a copy of a letter from the War Office respecting the organization of any further reinforcements which your Government may be able to supply.

I have etc.

A. Bonar Law

[ENCLOSURE]

War Office to Colonial Office

Confidential

London, June 24, 1915

Sir,

I am commanded by the Army Council to suggest that it is now desirable to consider the question of the steps to be taken regarding the organization of any further reinforcements which will be supplied by the Canadian Government.

2. The steps which the Canadian Government proposed to take were outlined in the letter from the Governor General forwarded under your No. 40438/1914, dated 20th October, 1914, and the views of the War Office as regards the organization of the 2nd Canadian Contingent were given in the letter from this office, No. 121/Overseas/53, dated 29th October, 1914. In accordance with the latter, the 2nd Canadian Division has been formed and should shortly have arrived in England, with the result that—broadly speaking—the contingents supplied by the Dominion of Canada will amount to two divisions, which will eventually be formed into a Canadian Army Corps.

3. The question then arises whether the Dominion will be in a position to do more than raise, equip, and train the reinforcements required to maintain the contingents which they have so far organized; or whether, in addition to providing these reinforcements, they see their way to raising further formed bodies of troops. The Army Council would accordingly be glad if enquiries could be directed to obtain information upon these points as early as practicable.

4. As regards the former, I am to state that the approximate numbers estimated as necessary to maintain the Canadian forces already sent over to England are the following per month:

	Officers	Men
Infantry	120	4,000
Cavalry	15	400
Artillery	10	325
Engineers	3	100
Army Service Corps	1	30
Royal Army Medical Corps	1	30

As regards the latter, I am to suggest, should the Dominion Government find it practicable to do so, that endeavours should be made to raise a third division of like composition and strength to those which have already been furnished.

5. In any case it appears to the Army Council desirable that the question of the further supply of troops by Canada should now be considered, and that the steps to be taken for the organization of any fresh bodies of troops for service in Europe should only be adopted after preliminary consultation with Council.

6. This seems especially necessary in regard to mounted troops, the conditions of employment of which have of late considerably altered, and of which—so far as can be foreseen—there is already a sufficiency; and, as Mr. Secretary Bonar Law is no doubt aware, the Canadian Cavalry regiments were recently dismounted and are now acting as infantry. It would appear, however, from telegraphic correspondence (a copy of which is enclosed)[1] that the Canadian Government had then in contemplation the raising of additional mounted troops. The Army Council, therefore, take this opportunity of asking that they be informed whether any, and if so, what steps have been taken to give effect to this contemplated measure.

7. I am to remark that in asking for this information and making these suggestions, the Council are only animated by a desire to direct into the most effective channels the efforts, which the Dominion of Canada is making in support of the common cause; efforts the value of which the Army Council most thoroughly realize and fully appreciate.

I am etc.

B. B. CUBITT

138. *Minister of Finance to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, July 2, 1915

In view of serious exchange situation please advise whether in your opinion it would injure our future operations in London if we raised a loan in United States. The suggestion is extremely confidential and has not been considered by the Government.

WHITE

139. *Acting High Commissioner to Prime Minister*

TELEGRAM London, July 6, 1915

Following for White. Personally favour your suggestion regarding United States loan. Am consulting Treasury and making private inquiry. Will cable definitely later.

PERLEY

[1] Not printed.

140. *Colonial Secretary to Governor General*

TELEGRAM London, July 6, 1915

With reference to my telegram 5th July, confidential, Treasury states that there are indications of existence of appreciable amounts of money in Dominions which for various reasons are not attracted by local loans but which might be readily subscribed both patriotic and financial grounds to loan carrying with it security of Imperial Government. Difficulties as regards cost of remittance income tax, etc., make it improbable that much will be contributed to loan issued in United Kingdom but on the other hand it is clearly desirable to take advantage of capital available in Dominions for purpose of aiding prosecution of war if possible at any rate to extent necessary to finance war expenditure of Dominions themselves.

In the circumstances Treasury enquire whether your Government would consider whether they might issue locally with guarantee by Imperial Government of principal and interest of loan. They might make conditions of issue that proceeds should be devoted solely for war expenditure of Empire, to be applied in the first place to reducing avoiding or repaying borrowings of your Government and in second place if amount is sufficient be lent to H.M.'s Government at same rate of interest as that at which loan is raised towards meeting Imperial war expenditure. Similar proposal is being made to other Dominions. If scheme commends itself to your Government Parliament will be asked to give requisite guarantee to loan raised on terms not more favourable than present war loan.

BONAR LAW

141. *Order in Council*

P.C. 1593 July 8, 1915

The Committee of the Privy Council have had before them a report from the Minister of Militia and Defence, dated 1st July, 1915, representing that by an Order in Council (P.C. 2067), dated 6th August, 1914, Your Royal Highness, in view of the state of war existing between the United Kingdom and the Dominions, Colonies and Dependencies of the British Empire, on the one side, and Germany, on the other side, creating a menace to the well-being and integrity of the Empire, declared it to be desirable to mobilize militia units of such effective strength, as might from time to time be determined by Your Royal Highness in Council, such units to be composed of officers and men who are willing to volunteer for overseas service under the British Crown.

The Minister states that by virtue of that authority some 30,000 officers and men, forming what is known as the First Contingent of the Canadian Expeditionary Force, were raised, equipped and despatched to the United Kingdom.

The Minister further represents that another Order in Council (P.C. 2831), dated 7th November, 1914, authorized the 2nd Overseas' Contingent and other troops for service in Canada, aggregating another 30,000 men, and that also by the said last mentioned Order the Minister of Militia and Defence was authorized to mobilize troops required in Canada to replace the second or any subsequent contingent, or any portion thereof after its embarkation overseas.

The Minister submits that it is desirable to limit in definite terms the numbers thus raised, and to be raised, under the provisions of the first herein before mentioned Order in Council.

The Minister, therefore, recommends that he be authorized to raise, equip and send overseas for the purposes aforesaid, officers and men not exceeding one hundred and fifty thousand, including those who have already been raised and equipped under authority of the said Orders in Council, and including also those who have been, or may hereafter be raised for garrisons and guard duties in Canada.

The Committee concur in the foregoing and submit the same for approval.

142. *Governor of Newfoundland to Governor General*

TELEGRAM St. John's, July 8, 1915

My Ministers desire transmission of following message for consideration of your Government. Begins. With reference to patrol of Newfoundland and Canadian waters and the investigation of suspicious vessels thought to be connected with enemy submarines or their supplies it is suggested that Government of Canada and Government of Newfoundland should compare and as far as possible coordinate their plans. It would be useful if Government of Canada would periodically inform Government of Newfoundland of the number duties and position of their patrol ships especially in vicinity of Cabot Straits. It would be useful if Canadian patrol ships could be informed of any suspicious vessels reported to the Newfoundland authorities which may be in the same vicinity as the patrol ships so that the latter could investigate. Such information could be communicated in cypher to them by wireless by the Admiralty Intelligence Officer if the Admiralty approves. My Ministers could send also reports sent by magistrate cruising in the waters of Labrador.

DAVIDSON

143. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, July 9, 1915

SECRET. War Loan. With reference to your telegram of 6th July, Canadian Government report that in their opinion a currency loan issued here guaranteed by His Majesty's Government would not be regarded as materially

enhancing the value of the direct obligations of the Dominion. My Government are also of opinion that guaranteed securities are not regarded with favour in the United States.

They furthermore consider that offer of such a double security would reflect somewhat on the credit of both Governments and should only as a last resort be availed of. They also state there is little investment money in Canada, which, apart from patriotic motives, would be attracted by proposed rate of interest. On account of the cessation of borrowing abroad a heavy strain has been thrown on the Canadian banks in financing provinces, municipalities, railways and other corporations whose securities normally would be sold in London. There is also to be considered the existing railway situation and the financing of the autumn movement of the Canadian crop.

In view of the above it is again the opinion of my Government that it will be impossible to raise Canadian war expenditure here as proposed. It might be possible, after the movement of the crop, for the Dominion to make a domestic loan of moderate amount, but any funds so raised would be required for capital expenditure upon works which at the outbreak of war were under contract. A Canadian loan for war expenditure would hardly be permitted in New York and the amount obtainable in any event would in the opinion of bankers be comparatively limited.

ARTHUR

144. *Acting High Commissioner to Prime Minister*

TELEGRAM London, July 10, 1915

Practically impossible foresee position money market here immediate future pending payment immense war loan subscription. Would not be surprised if some time must elapse before can make successful public issue. Personally favour American loan if possible take care your requirements instead borrowing here just now. Have consulted Treasury informally but they are considering matter and have given me no reply. They have always expected us borrow our requirements here as arranged with them but doubt our ability make issue in near future and would certainly expect us reduce our requirements here by any sum borrowed in States. If they decide advise our so doing my opinion regarding this is supported by official cables sent through Governor General this week suggesting raising loan in Canada guaranteed by Imperial Government. Don't know whether you consider this feasible but if you do then money should be devoted to paying your expenditure other than for war purposes not disturbing present arrangement with Treasury here regarding war expenditure. Please cable further fully and will see Secretary Treasury again next week.

PERLEY

145. *Governor General to Governor of Newfoundland*

TELEGRAM Ottawa, July 15, 1915

Referring to your telegram July 8th. Patrol of St. Lawrence. My Ministers state that wireless station Point Riche has been re-opened and they request that Government of Newfoundland extend line from Point Riche to Point au Choix, nearest land station. Matter of greatest importance and necessity for efficiency of patrol. Despatch follows by mail.

ARTHUR

146. *Minister of Finance to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, July 22, 1915

Have sold in New York forty million dollars one and two year notes. Could not arrange for longer currency and negotiation exceedingly difficult. Our object was to meet wishes of Treasury and relieve London market and assist exchange situation. Please cable me as to effect in London. As we shall now have abundance of money here we may ask Treasury if you think advisable to change existing arrangement so that we shall receive only one million pounds or less per month until fall on the understanding that we shall then be advanced the balance and in addition resume the two million pounds per month. This will effect a substantial saving in interest.

WHITE

147. *Acting High Commissioner to Prime Minister*

Dear Sir Robert Borden, London, July 30, 1915

In accordance with your request I am enclosing herewith copy of the memorandum which I made on the 2nd instant, covering my conversation on that day with Sir William Graham Greene and the Third Sea Lord regarding our desire that the Admiralty should give more orders for war vessels to be built in Montreal, and also with regard to the question as to whether there is any way in which Canada could give naval aid in this war, or whether the policy of confining our efforts to the military side should be continued as suggested by Mr. Churchill last Fall. In this connection it has occurred to me that it might be wise to utilise any surplus shipbuilding facilities in Canada for the purpose of building ocean cargo steamers in case the Admiralty are not in a position to give any further orders for war vessels to be built in Canada. Ocean freights have gone up very high, and with them the selling price of the steamers. Previous to the war the cost of building in Canada was so high that we could not afford to build merchant vessels, but I am given to understand that at the present time, if we had any ships on hand built in Canada, they could be sold at a price to show a profit.

Of course this condition of affairs will cease when the war ends, but on the other hand, if the war continues as long as would now appear likely, ocean tonnage would probably keep growing more and more difficult to obtain. Under these circumstances I think it may well be argued that, if we have any shipbuilding facilities in Canada not required for other purposes, the Government might very properly, as a matter of precaution and insurance against lack of tonnage, have some cargo ships built right away for their own account, but without any idea of their actually going into the business of ship-owning or ocean transportation. In case the war continues these ships would be available for transporting goods from Canada to this country, and if present conditions continue or become more acute they would certainly be of great service to us. If, however, the war should fortunately end before these ships are finished, the Government would of course have to dispose of them at less than their cost. In other words, the question is whether it would be wise for Canada to submit to a loss at the end of the war with the idea of having some tonnage at our own disposal in case the war lasts a long time, and incidentally providing work in the meantime. I therefore merely submit this suggestion for your consideration.

Yours sincerely,

GEORGE H. PERLEY

[ENCLOSURE]

Memorandum

London, July 2, 1915

To-day I had a long interview with Sir W. Graham Greene, Secretary of the Admiralty, and Rear-Admiral Tudor, Third Sea Lord, with regard to the questions raised in my letter to Mr. Balfour dated June 8th 1915.

They stated that the submarines which were built in Montreal have been completed quickly and satisfactorily, but that they cost about twice as much as the British-made submarines, and that it was not considered wise to order any more work of this kind through the United States if it could be avoided on account of this excessive cost, and also the difficulties regarding exchange and the enormous sums which have to be transmitted to the United States.

They told me that they had some torpedo boats just about finished which were laid down after the war began and had therefore been completed in about half the usual time. They said that under present conditions they did not consider it best to give any orders for war vessels except such as could be finished very quickly and not in the ordinary course. They thought that any orders given to Vickers or other Canadian firms to be entirely built and completed in Canada would take a long time as, without questioning the ability of the Vickers Company to do this work in Montreal, they felt that they must build up an organisation and get their men accustomed to it. In addition to that they considered it probable that the Vickers Company

would find it imperative to take over from this country some of their skilled employees, which would reduce their capacity and efficiency on this side.

They further stated that although the British shipyards are at present full with partially completed ships there is now room for laying down more vessels, and as far as they can see at present they can get all the submarines built here that they require.

I laid strongly before them the need of more merchant vessels, and that we considered it most unfortunate if any of the Empire's shipbuilding facilities were idle under present conditions. I said that we thought they might very properly get some submarines and torpedo boats built in Canada in order to give the yards here a chance of building merchant vessels. They were apparently not prepared to accept any such suggestion, but thought that some of these merchant ships might be built in Canada. They said that oil vessels and refrigerator ships were particularly required, and I understand there is a great shortage of them.

With reference to the policy laid down by Mr. Churchill last fall that Canada had better concentrate her energy on the army, and that in his view there was no way in which Canada could give naval aid during the war, Admiral Tudor said that he was of course not a member of the Cabinet nor authorised to express an opinion on a question of policy but that as Third Sea Lord he would certainly welcome assistance from Canada by way of fast patrol boats which could be used to protect shipping and fight the submarines. At the same time he was not sure whether everything necessary for the building of these boats could be provided in Canada. He particularly mentioned turbines and said if they or any other important parts had to be purchased in Great Britain it would not help them much, as all the factories of that kind are now fully occupied and any orders for turbines or other necessary machinery taken for Canada diminished their output here to that extent.

I asked Sir W. Graham Greene to talk to Mr. Balfour's private secretary and ask him to let me have a written reply as soon as convenient to my letter of the 8th ultimo.

G[EORGE] H. P[ERLEY]

148. *Acting Under-Secretary of State for External Affairs to Secretary, Governor General*

SECRET

Ottawa, August 3, 1915

Sir,

With reference to the telegram to His Royal Highness from the Secretary of State for the Colonies, dated 29th ultimo, pressing for a reply to his secret despatch of the 30th June, 1915, in regard to the question of the organization of any further reinforcements to be supplied by the Canadian Government, I have the honour to enclose, herewith, copy of a letter which

has just been received from the Deputy Minister of Militia and Defence, said by him to have been addressed to you on the 19th instant, and I am to suggest that the substance of this letter should be communicated to the Colonial Office in reply to the telegram referred to, if this has not already been done.

I have etc.

W. H. WALKER

[ENCLOSURE]

Deputy Minister of Militia and Defence to Secretary, Governor General

Sir, July 19, 1915

Touching on the provision of reinforcements for the Canadian Overseas Contingent, and with reference to secret despatch, Canada, dated 30th ultimo, I have the honour to submit the following remarks:

1. The undermentioned Canadian troops are, or will soon be, at the front, i.e. on the Continent of Europe:

The 1st and 2nd Canadian Divisions;

The 1st and 2nd Brigades Canadian Mounted Rifles (six regiments in all, *vide* attached cablegrams);

The Royal Canadian Dragoons;

Lord Strathcona's Horse (Royal Canadians);

A Brigade of Royal Canadian Horse Artillery;

The Royal Canadian Regiment (from Bermuda);

The Princess Patricia's Canadian Light Infantry;

A pioneer battalion;

A railway construction corps;

An automobile machine-gun brigade;

A large number of communication units:

and, in the event of the two Canadian divisions being grouped into a Canadian Army Corps, there are certain additional units which would have to be provided.

2. To maintain in the field the strength and efficiency of so large a force is as much as Canada should undertake. Having regard to what war wastage means, it would be better to concentrate effort on the raising and training of reinforcements, than to go on adding to the number of units at the front.

3. Moreover, the situation is such that Canada cannot afford to give no thought to self-defence and the preservation of internal order; and there is a limit to the number of troops which, without unduly weakening herself, she can send on service overseas.

I have etc.

E. FISET

149. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, September 11, 1915

SECRET. My advisers find it necessary to press upon the immediate and serious consideration of His Majesty's Government the very difficult condition confronting Canadian producers of food products. Under existing Orders in Council exportation of wheat and other grains and their products is prohibited to all neutral countries except the United States. Exportation to United States is permitted when for consumption in the United States only or when shipped to specified consignees in the United Kingdom via United States or when exported via United States under license or dispensation from Canada. Recent Order in Council also permits exportation of wheat and wheat flour when consigned to Netherlands Government. Exportable surplus of United States probably five hundred million bushels and in Canada nearly two hundred million bushels. Producers in United States which is chief competitor of Canada have access to all neutral markets from which however Canadian producer is entirely excluded except under licence. These conditions have depressed and will continue to depress price to Canadian producer as compared with United States producer. Considering the enormous exportable surplus of United States which has access to all neutral markets Canadian farmers unable to understand what possible detriment can arise if our exportable surplus amounting to about one third of theirs is placed on the same footing. They naturally consider that this additional one third cannot possibly affect situation as United States surplus is more than sufficient of itself to supply requirements of all neutral countries. They thus conclude that present restrictions are of no advantage to Imperial interests but of marked disadvantage to their individual interest. Western Canada Provinces have displayed not only willingness but eagerness to make highest sacrifices but in face of oppressive competition by United States they will be most unfavourably influenced by demand for sacrifices which appear to them absolutely futile. Under these circumstances my advisers will feel themselves constrained in immediate future to consider the removal of the restrictions hitherto established unless they are convinced that such removal would be detrimental to Imperial interests. The proposed licensing system especially under the conditions expressed in your telegram 20th July is of little advantage as prompt decision and reply in such business transactions is imperatively necessary to ensure fair competition in neutral markets.

ARTHUR

150. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, September 17, 1915

SECRET. My advisers are greatly disturbed by an impression rapidly gaining ground that arrangements for loan now pending in New York will include stipulations which will result in placing American farmers in a more favourable position than Canadian farmers for marketing exportable surplus of

wheat and other grains. They consider that the problem of finding a market under existing conditions is sufficiently serious without any such handicap of Canadian interests and they urge that due regard may be given to these considerations in determining the final arrangements.

ARTHUR

151. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, September 20, 1915

Please give to Colonial Secretary following message from myself and from Rogers, Chairman of Cabinet Committee on transportation wheat. Begins. Canada is faced with a most serious condition that requires immediate consideration. The farmers of Western Provinces heeded the call of the Allied World last spring and planted a very large acreage in wheat. They have been blessed with a magnificent crop and will have nearly two hundred million bushels of wheat to market. The very war which prompted the call to them is causing an unprecedented shortage in their only means of transportation. As the Admiralty has requisitioned nearly all our Canadian tonnage it is absolutely essential for the purpose of moving immediately a portion of our surplus wheat that the Admiralty should either release these ships or charter substitutes suitable for wheat transportation at the same charter rates as the Admiralty are paying Canadian Steamship Companies.

BORDEN

152. *Colonial Secretary to Governor General*

TELEGRAM London, September 23, 1915

Please inform Prime Minister of following question in Parliament yesterday: If it is the intention of Imperial Government to take responsible Ministers of all Dominions into their confidence with reference to conduct of the War and if any steps have been taken in this direction.

I replied as follows: I am in continual communication with Governments of self-governing Dominions on matters relating to War. Sir Robert Borden has recently been in this country and His Majesty's Government have gladly taken advantage of his presence to have full and confidential discussion with him. Prime Ministers of the other Dominions have been made aware that if circumstances make it possible for them to visit this country His Majesty's Government would warmly welcome opportunity of similar discussions with them.

BONAR LAW

153. *Colonial Secretary to Governor General*

TELEGRAM London, September 24, 1915

SECRET. With reference to your telegram of September 17th, representations of Dominion Government have been telegraphed to financial mission in New York but I have ascertained that no earmarking of any part of proposed loan to financing produce exports from United States is contemplated whilst in so far as effect of loan is to raise dollar exchange benefit will be shared by Canadian exporters.

BONAR LAW

154. *Colonial Secretary to Governor General*

TELEGRAM London, October 12, 1915

Referring to your telegram August 28th. In addition to other action taken foreign delegates on the *Commission internationale de Ravitaillement* were asked to ascertain views of their Governments on question of purchases from Canada. Italian Delegate now states that Government of Italy quite agree in principle to suggestion that they should obtain wheat and flour from Canada rather than United States but improbable any official purchases will be made before St. Lawrence navigation closes after which date it is thought that increase of freight on Canada wheat probably will not enable them to compete successfully with United States wheat.

BONAR LAW

155. *Acting High Commissioner to Prime Minister*

TELEGRAM London, October 19, 1915

CONFIDENTIAL. See that you are again being urged send more troops. Various people here have spoken to me about this lately and no doubt further assistance would be welcomed. In considering any such action we must not forget financial side and particularly in connection incidence of expense in France now under discussion with War Office. Besides that am inclined think that some way should be found to consult more with you and other Dominions regarding general policy of war operations. Will discuss matter further here and cable you again but in meantime would like have your views confidentially.

PERLEY

156. *Colonial Secretary to Governor General*

TELEGRAM London, October 23, 1915

With reference to my telegram 12th October French delegate on *Commission de Ravitaillement* has received letter from French War Office stating that *Inspecteur général de Ravitaillement* is in favour of purchasing as much grain and flour as possible from Canada and is already in communica-

tion with Canadian Trade Commissioner in France. French War Office asks to be furnished with names of important firms in Canada open to make offers, and to be informed of those who have representatives in France, adds that Canadian grain always been offered previously by American houses.

BONAR LAW

157. *Acting High Commissioner to Prime Minister*

TELEGRAM London, October 23, 1915

Following for White. Have again seen Permanent Secretary Treasury placed before him your views in various telegrams regarding suggested issue Dominion notes. They agree with you advisable avoid purchasing large amount exchange present time but don't like idea having gold earmarked. Their official reply will come in two or three days but they will probably suggest that Treasury Bills with a call on gold for part of the amount might make as good basis for issue Dominion notes as the gold itself. If you expect that issue of twenty five million dollars will be all you need make during next six months perhaps it will be possible for you issue that amount without any enlarged gold or treasury bill reserve and reduce your borrowing here to that amount. Treasury suggests unofficially that Canada's production and exports are increasing so much that before long Canada may be able to provide her own money even for war expenses. Will cable more fully immediately on receipt official reply.

PERLEY

158. *Minister of Finance to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, October 26, 1915

PRIVATE. Replying your cable twenty-third expect to bring out Dominion war loan of fifty million dollars. Please inform Treasury unofficially that while we shall do our very best to raise our war expenditures here the amount of available money on account of conditions of which I have already advised you is limited. If we are compelled to raise all our war expenditures the result must be a limitation upon the number of troops which we can raise and send forward. Resort to unsecured paper money is not desirable except as last resort.

WHITE

159. *Minister of Finance to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, October 28, 1915

Replying your cable money raised by Dominion loan will be for war expenditure in Canada and should suffice for first four months of next calendar year. Think it might be well if you could make a conditional

arrangement under which we would receive say one million pounds per month for January, February, March, and April leaving matter of further advances to be determined in April. If this is unsatisfactory to Treasury ask for two and a half million pounds per month from May first. Should we be able to obtain a further loan here we could no doubt arrange to reduce amount accordingly. My revenues are improving and I expect to be able to finance any capital requirements in New York.

WHITE

160. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, October 28, 1915

Following from Harris. Nothing from Admiralty as to additional transports asked for. Congestion Montreal Terminals imminent. War Office Purchasing Agents throughout Canada should be at once notified curtail shipment unless relief forthcoming from Admiralty. Situation regarding twenty-five hundred freight cars serious as terminals of railway companies, owing to approaching close of navigation at Montreal, and heavy ocean grain tonnage movement, have no track storage available.

BORDEN

161. *Acting High Commissioner to Prime Minister*

TELEGRAM London, October 28, 1915

SECRET. Expect that small war council having special powers will soon be named from Cabinet probably either three or five members. If it were possible for Dominions agree on one man to represent them would like to see him appointed on this Council. For instance believe you could be very useful in such position and it would seem good opportunity make beginning changed Imperial ideas and relations.

PERLEY

162. *Acting High Commissioner to Prime Minister*

TELEGRAM London, October 28, 1915

CONFIDENTIAL. My cable nineteenth regarding more Canadian troops authorities here say they cannot urge on Dominions sending more men but that they are much needed and would be very welcome. Personally would like do everything possible assist in this war but inclined agree with your opinion expressed to me when here that Canada would have great practical difficulty in providing equipment and reinforcements for any larger force than now over here and under training. Would like your views regarding possibility and advisibility some way being found for consulting more with you and other Dominions regarding general policy of war operations.

PERLEY

163. *Governor General to Colonial Secretary*

PARAPHRASE OF TELEGRAM Ottawa, October 29, 1915

PRIVATE AND PERSONAL. Following from Prime Minister for you. Begins. Equipment and utilization of Canadian National ports in Maritime Provinces has been a leading feature of policy carried out by all Governments during past twenty five years. Construction of National Transcontinental Railway costing two hundred million dollars was largely based on that policy. Proposed action of your Government would discredit Canadian efforts for this purpose and would practically express British Government's view that Canada has no useful or available winter port on Atlantic Coast. Such action would necessarily affect public opinion most unfavourably, and I could not defend it. Am informed that no serious difficulty has hitherto been experienced in transportation horses either to Halifax or St. John. Ends.

ARTHUR

164. *Acting High Commissioner to Prime Minister*

TELEGRAM London, October 30, 1915

Your cables received yesterday and day before regarding transports for war supplies. Admiralty informs me that five large ships have been secured and they have cabled Harris to that effect. Have continued urging matter strongly with Admiralty and have written them Munitions Department and War Office saying that fifty thousand tons would be left at Montreal unless further ships forthcoming. Have arranged see Quarter Master General War Office place situation before him. Regarding your suggestion that purchasing agents throughout Canada should be notified curtail shipments should dislike very much doing this as it might check flow of orders to Canada. Prefer keep urging and relying on Admiralty provide necessary ships and they assure me that they will do everything they can. Will therefore not ask war office curtail shipments unless you still consider it absolutely necessary under present conditions.

PERLEY

165. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, October 30, 1915

Please inform Bonar Law that we would appreciate fuller and more exact information from time to time respecting conduct of war and proposed military operations as to which little or no information vouchsafed. We thoroughly realize necessity central control of Empire's armies but Governments of Overseas Dominions have large responsibilities to their people for

conduct of war and we deem ourselves entitled to fuller information and to consultation respecting general policy in war operations. The great difficulty of obtaining information during my recent visit to London seemed partially occasioned by lack proper co-ordination between several Departments responsible for conduct war. Perhaps new Council or Committee can arrange for information and consultation suggested.

BORDEN

166. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, October 30, 1915

CONFIDENTIAL. Public opinion in Canada very urgent for increased authorized forces which accordingly have been raised to two hundred and fifty thousand. We have sent one hundred and one thousand five hundred overseas, and at present have seventy-one thousand five hundred under arms in Canada making total one hundred seventy-three thousand. Please impress upon British Government importance their lending all possible financial assistance in meeting increased pressure by reason of enlisting additional troops. White very apprehensive as to our ability to finance situation unless British Government affords ample assistance.

BORDEN

167. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, October 31, 1915

Order in Council passed yesterday authorizing mobilization of Canadian troops to the number of 250,000, inclusive of those already under arms. This is an increase of 100,000 over number hitherto authorized and is intended by my Government as a reply to the stirring message of His Majesty the King to the Empire.

ARTHUR

168. *Acting High Commissioner to Prime Minister*

TELEGRAM London, November 1, 1915

Am informed by Admiralty that including five already advised fourteen additional ships have been secured for transporting war supplies. Please advise Harris.

PERLEY

169. *Colonial Secretary to Governor General*

TELEGRAM London, November 1, 1915

With reference to your telegram 31st October, please convey to your Ministers expression of the warm appreciation of His Majesty's Government of their patriotic response to His Majesty the King's appeal in providing this most welcome and material reinforcement of the Canadian contingents which have been fighting so gallantly in the common cause.

BONAR LAW

170. *Minister of Finance to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, November 3, 1915

In view of increase of troops it is advisable to ask for thirty million pounds. If by May next I can arrange to float another large loan in United States no doubt Treasury would agree to vary the arrangement accordingly. Am most desirous for exchange reasons of financing as much as possible on this side. Canadian bankers strongly of view that it would be most inadvisable to attempt to raise second large domestic loan next year as it will take several months to absorb the coming issue. Please explain this fully to Treasury. Also point out regarding their suggestion of issuing Dominion notes against Treasury Bills and balances in London that Canada's circulation is all in bank and Dominion notes and that any inflation simply means a forced loan upon banks as issues of Dominion notes are not required for circulation. At present there is redundancy to extent of ten or fifteen million dollars of Dominion notes in banks bearing no interest. Bankers fear serious consequence if further issues against securities but see no objection to issuing notes here against gold earmarked in London. In such a case we should in case of redundancy redeem Dominion notes from our gold reserves here.

WHITE

171. *Acting High Commissioner to Colonial Secretary*

Dear Mr. Bonar Law, London, November 3, 1915

Following up our conversations regarding the progress of the war and the increase of the Canadian troops, I have communicated with Sir Robert Borden several times on these important matters, and he asks me to say to you that the Canadian Government would appreciate very much if they could be given fuller and more exact information from time to time respecting the conduct of the war and proposed military operations, regarding which they have had little or no information. The Canadian Government thoroughly

realise that there must be a central control of the Armies of the Empire, but at the same time Sir Robert Borden asks me to remind you that the Governments of the overseas Dominions have large responsibilities to their own people for the conduct of the war, and that therefore the Canadian Government deem themselves entitled to fuller information and to consultation respecting the general policy of the war operations. Sir Robert further asks me to say to you that the great difficulty of obtaining information which he experienced during his recent visit to London seemed to him to be partially occasioned by a lack of proper co-ordination between the several Departments responsible for the conduct of the war, and that he thinks that perhaps the new War Council or Committee which we understand your Government is going to set up may be able to arrange for this fuller information and consultation which Sir Robert Borden suggests, and which would be greatly appreciated by the Canadian Government.

May I ask you kindly to give your powerful influence in this direction?

Yours sincerely,

GEORGE H. PERLEY

172. *Colonial Secretary to Acting High Commissioner in United Kingdom*

Downing Street, November 3, 1915

Dear Sir George Perley,

I have your letter of to-day and take the opportunity again of saying how much His Majesty's Government appreciate the increase of troops which has been sanctioned by the Canadian Government.

We fully realise I need not say the great part which your Government is playing in this war and as Sir Robert Borden found when he was here we were only too delighted to put him into possession of all the information which was available to the Cabinet. It is of course much more difficult to keep him in touch now but it is our desire to give him the fullest information and if there is any way which occurs to him or to yourself in which this can be done I shall be delighted to carry it out.

As regards the question of consultation, here again I fully recognise the right of the Canadian Government to have some share of the control in a war in which Canada is playing so big a part. I am, however, not able to see any way in which this could be practically done. I wish, therefore, that you would communicate my view to Sir Robert Borden telling him how gladly we would do it if it is practicable and at the same time I should like you to repeat to him what I said to you—that if no scheme is practicable then it is very undesirable that the question should be raised.

Yours sincerely,

A. BONAR LAW

173. *Acting High Commissioner to Prime Minister*

TELEGRAM London, November 4, 1915

Have talked with Colonial Secretary and written him setting forth your ideas regarding giving fuller information to Dominions and more frequent consultation. Will advise further later.

PERLEY

174. *Acting High Commissioner to Prime Minister*

CONFIDENTIAL

Dear Sir Robert Borden, London, November 5, 1915

I beg to acknowledge your cable of the 1st instant, as follows. . . .[1] After receiving it I wrote the enclosed letter to Mr. Bonar Law,[2] and made an appointment with him so that I could deliver it by hand and talk it over. I have just received his reply, of which I enclose a copy,[3] and which explains itself.

I found that Mr. Bonar Law was most desirous of doing everything possible to keep you thoroughly informed, and to take any practical steps in the way of arranging more frequent consultations. At the same time, as you will see by his letter, he does not see how this could be done in a practical way, and he urged strongly that it appears to him undesirable that the question should be raised unless there is some practical scheme which we can put forward. While agreeing with him in this I think it most desirable that you should have fuller information and be more often consulted, and your position as outlined in your cable seems to be most reasonable.

I think it ought to be possible to give us better and more frequent information. You were provided with this when you were here, and I am sure you felt more in touch with things then than you do in Ottawa.

The question of consultation is of course much more difficult. I had thought that it might be possible to arrange for you or one of the other Dominion Prime Ministers to be put on the War Council and be here most of the time for that purpose in order to represent all the Dominions. Mr. Bonar Law, however, thinks that a plan of that kind could not be put into force as the various Dominions would not be able to agree on a choice, and he seems to think that all the Dominions except the one whose Prime Minister was selected for the War Council would prefer to leave things as they are.

Perhaps you will kindly consider this further, and talk it over in Council and write me about it later.

Yours sincerely,

GEORGE H. PERLEY

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[1] Document 165 was repeated here
[2] Document 171.
[3] Document 172.

175. *Colonial Secretary to Governor General*

TELEGRAM London, November 26, 1915

SECRET. The Field Marshal commanding British Expeditionary Force recommends re-organization of corps troops of the Canadian army in the field to form the nucleus of the 3rd Division and Army Council support recommendation. It is suggested that the 1st Battalion of the Royal Canadian Regiment, the 42nd Battalion, the 49th Battalion and the 1st Battalion of the Princess Patricias should be constituted Canadian Infantry Brigade. The 1st and 2nd Mounted Rifles Brigade, which are at present dismounted, should each be made a unit to a dismounted regiment with an establishment similar to that of an infantry battalion (mounted name being retained if desired), constituting eight Canadian infantry brigades. Seven brigade headquarters would be formed from available personnel of mounted rifle headquarters. Twelve hundred officers and men would be required from Canadian depots in United Kingdom to bring eight brigades up to establishment. The following divisional troops are required:

One Squadron Mounted Rifles;
One Division Cycle Company;
Three Artillery Brigades, each consisting of four batteries of four guns;
One Brigade of four 5-inch Howitzer Batteries;
Division Ammunition Column;
Three Field Companies Engineers;
One Signal Company;
Three Field Ambulances;
One Ambulance Workshop;
One Sanitary Section;
Division Supply and Transport Train;
Mobile Veterinary Section.

Of these one gun brigade available from the Second Division two gun and one Howitzer brigade shortly available from the Canadian Artillery in this country; parts of the signal companies and supply train can be formed from Mounted Rifles.

As regards the 1st Cavalry Brigade the Second King Edward's Horse already depleted by appointments to commissions and would be withdrawn for service elsewhere, the Royal Canadian Dragoons and 1st Strathcona Horse would continue to form part of the corps troops.

Telegraph the views of Ministers as soon as possible.

176. *Colonial Secretary to Governor General*

TELEGRAM London, November 30, 1915

SECRET. URGENT. With reference to your telegram November 28 the requisitioning of wheat has caused very considerable alarm in the corn trade and the London Corn Trade Association urge that no action shall be taken to

interfere with existing contracts. In view of the disturbance of trade and the possible effect on the supplies of the United Kingdom the seriousness of which your Ministers will no doubt appreciate I should be glad to have the observations of your Government on the subject.

BONAR LAW

177. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, December 3, 1915

SECRET. When your cypher telegram of November 26 arrived my Prime Minister informed me that Canadian Government were about to offer British Government a 3rd Canadian Division, and that they entirely concur in proposal. The 7th Infantry-Brigade to consist as follows of 42nd and 49th Battalions and Royal Canadian Regiment, Princess Patricia's Light Infantry. 1st and 2nd Canadian Mounted Rifles Brigades to be fused into 8th Infantry Brigade. 9th Infantry Brigade to be selected from those already in England and to consist of four Battalions.

Canadian Government will send you, as Divisional troops, a Cyclist Company, Divisional Ammunition Column, Mounted Rifle Squadron, three Engineer Field Companies, three Field Ambulances, Signal Company, Ambulance Workshop, Sanitary Section, Mobile Veterinary Section and Train; but Canadian Government wrote to British Government to equip and organize four brigades of Field Artillery and to supplement Signal Company and the Train. It is noted that the Royal Canadian Dragoons and Lord Strathcona's Horse are to be included in Corps Troops, and that Seely's Brigade is to be broken up.

ARTHUR

178. *Order in Council*

P.C. 2893 December 8, 1915

On a report of the Minister of Trade and Commerce, representing that the Government of Canada has been requested to take into account the supplies of wheat required by the British Government and certain of the Allied Governments, and to arrange for a considerable supply to be shipped during the month of December and following months. The Minister of Trade and Commerce reports that it has become necessary and advisable and within the meaning of Section 6 of the War Measures Act, 1914, to appropriate and control the wheat hereinafter described under the conditions hereinafter mentioned.

The Minister further reports that the action which he has taken for the above purpose is set forth in the telegrams, copies of which are hereto appended, and that the instructions given in the messages signed by the Minister of Marine and Fisheries, the Minister of Railways and Canals and the Solicitor General, were sent after consultation with him and at his request in pursuance of the proposed appropriation and control of the wheat aforesaid.

That in the putting into effect and the carrying out of the said appropriation it has been found desirable in order to avoid as far as possible interference with the progress of milling in Canada, and with contracts for export of wheat, and to provide wheat already contracted for by the French Government and for other special shipments, to loan certain quantities of wheat so appropriated and to release certain quantities upon contract for replacement or otherwise and to dispose of certain quantities upon sale and purchase agreement for the restoration of like quantities at like prices at convenient times.

As the wheat was required and ordered through the Government of the United Kingdom from the Government of Canada, by reason of war conditions, the Minister of Trade and Commerce recommends that under Section 6 of the War Measures Act, 1914, the appropriation and control of wheat as herein set out be ratified and confirmed and all despatches effecting same and all acts done by or under the authority of the Minister of Trade and Commerce, the Minister of Marine and Fisheries, the Minister of Railways and Canals and the Solicitor General, in the carrying out of the said appropriation and in the releasing under contract or replacement or otherwise, portions of the wheat appropriated be ratified and confirmed.

The Minister further recommends that the wheat which has been so appropriated and which is now under the control of the Government, save such as may have been or may hereafter be loaned, released or disposed of, in manner aforedescribed, and also any wheat taken or to be taken in replacement, in return or by purchase and sale contract as aforesaid, be used for the purpose of supplying any such orders as aforesaid heretofore received or to be received by the Government through the Right Honourable the Secretary of State for the Colonies or otherwise, and that the Minister be authorized to do such acts and make such contracts both of the character already taken and hereby confirmed as may be necessary for the purpose of using the appropriated wheat accordingly.

The Minister recommends that the Order in Council P.C. 2873, respecting the appropriating of wheat, passed on the fourth day of December, 1915, be repealed.

The Committee concur in the foregoing recommendations and submit the same for approval.

[ANNEX]

Minister of Trade and Commerce to Grain Commission

Ottawa, November 27, 1915

Dr. Robert McGill,

Government has commandeered all numbers one, two, and three Northern wheat in elevators under Grain Commission.

You are hereby instructed to retain same for Dominion Government.

GEORGE E. FOSTER

179. *Governor of Newfoundland to Governor General*

SECRET. PERSONAL AND CONFIDENTIAL St. John's, December 15, 1915

Sir,

In connection with my official despatch of this day's date, I have the honour to state that, while I am not authorized to speak on behalf of my Ministers, I gather from informal conversations that the following propositions might form the base for the preliminary discussion suggested with Capt. Pasco on the issues with regard to the precautions to be adopted in the open season of 1916 for the protection of the shipping and the coast of British North America from possible depredations of hostile submarines.

1. The measures taken should be taken in close co-operation between the Dominion of Canada and the Colony of Newfoundland.

2. The general command should be under one central control.

3. The direct contribution of Newfoundland is necessarily limited to its means.

4. The land defences of all the bays and inlets on the Atlantic Coast of Newfoundland and Labrador can be guarded by the people of Newfoundland from hostile landings or from the establishment of depots on shore or from being utilized as a secret base for hostile submarines or supply ships, provided that such hostile acts are not carried out with forces exceeding those carried on submarines or supply ships.

5. On the supposition that trans-Atlantic traffic between Canada and the United Kingdom shall pass by the Cabot Straits, and on the assumption that enemy submarines will secure their supplies by transhipment on the open sea, the portions of the Atlantic Ocean which require to be specially patrolled are those regions which are not ordinarily traversed by shipping but which lie within 200 miles of the usual steamship routes across the Atlantic through the Cabot Straits.

6. If it were decided to establish a patrol of this nature on the edge of the Banks, consisting of four or six suitably armed vessels, the vessels might be manned by men, i.e. Nfld. R. N. Reservists, in the pay of the Admiralty and in training on board the *Calypso* and between now and the time their services might be required special attention could be given to fit them for this particular work.

7. Two or three whaling steamers are obtainable in Newfoundland of the type of the *Lynx* (Lloyds Register No. 117324) of 103 tons gross of 12 knots. Coal consumption at economic speed (say 8 knots) said to be three tons for 24 hours. Can keep the sea for 14 days. Price about £3,000.

I have etc.

W. E. DAVIDSON

180. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, December 22, 1915

My Ministers strongly urge that all steamers, regular lines, be left en route between Canada and Great Britain, otherwise mail and freight service will be practically disorganized.

ARTHUR

181. *Colonial Secretary to Governor General*

DESPATCH 1220

Sir, Downing Street, December 23, 1915

I have the honour to transmit to Your Royal Highness, for the information of your Ministers, a copy of a letter from the Treasury relative to the arrangements made for lending to the Dominion Government for war expenditure an amount not exceeding £30,000,000 in 1916.

I have etc.

A. BONAR LAW

[ENCLOSURE]

Treasury to Under-Secretary for Colonies

Sir, Treasury Chambers, December 17, 1915

With reference to previous correspondence on the subject of advances by His Majesty's Government to the self-governing Dominions, I am directed by the Lords Commissioners of His Majesty's Treasury to request you to inform Mr. Secretary Bonar Law that their Lordships have agreed to lend to the Canadian Government for war expenditure an amount not exceeding £30,000,000 in 1916.

This sum will be advanced in such instalments as are required, the Canadian Government giving thirty days notice of the sum required for each month, subject to the proviso that the total advanced shall not at any time be in excess of the amount which would have accrued due on the basis of advances at a uniform rate of £2,500,000 a month.

I am etc.

MALCOLM RAMSAY

182. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH

Sir, Downing Street, December 28, 1915

With reference to your telegram of the 3rd of December with regard to the requisitioning of wheat in Canada, I have the honour to transmit to Your Royal Highness for the information of your Ministers a copy of a letter on

the subject which was addressed to the Corn Trade Association by the Board of Agriculture and Fisheries in consequence of representations made to the Board.

2. It will be seen that this letter is marked Confidential, and it is not intended that it should be published. Garbled accounts of it may however appear and I think it well therefore to place you in possession of the actual text.

I have etc.

A. Bonar Law

[ENCLOSURE]

Board of Agriculture and Fisheries to Corn Trade Association

Confidential

London, December 20, 1915

Sir,

I am directed by the President of the Board of Agriculture and Fisheries to refer to a statement recently issued by the Canadian Government on the subject of the requisitioning of wheat in Canada. Lord Selborne understands that some misconception still exists with regard to this matter, and I am therefore to state the facts for the information of your members. In view of the fact that France and Italy were known to be requiring to import wheat during the present cereal year, the Canadian Government, through the Colonial Office, called the attention of the Allied Governments to the large quantity of Canadian wheat available for export and suggested that in any purchases they proposed to make Canada should be considered. The Italian Government subsequently asked the Canadian Government to purchase wheat for their account, the Colonial Office again being the channel of communication. In this sense only is it accurate to say that the British Government had any part in the transaction.

The action taken by the Canadian Government in requisitioning wheat was taken by them without the knowledge of the British Government, as was stated by Lord Selborne to the deputation from the Corn Trade on the 29th ultimo. The impression which has apparently been created in some quarters by the communication issued by the Canadian Government that the wheat was requisitioned for, or at the suggestion of, the British Government is therefore not justified.

I am etc.

R. H. Rew

183. *Prime Minister to Acting High Commissioner in United Kingdom*

Telegram

Ottawa, December 31, 1915

We have decided to increase Canadian forces from two hundred fifty thousand to five hundred thousand.

Borden

184. *Prime Minister to Acting High Commissioner in United Kingdom*

CONFIDENTIAL Ottawa, January 4, 1916

My dear Sir George Perley,

I beg to acknowledge your letter of the 5th November enclosing copy of correspondence with the Right Hon. the Secretary of State for the Colonies touching my message as to information and consultation during the war.

Mr. Bonar Law's letter is not especially illuminating and leaves the matter precisely where it was before my letter was sent.

During the past four months since my return from Great Britain, the Canadian Government (except for an occasional telegram from you or Sir Max Aitken) have had just what information could be gleaned from the daily press and no more. As to consultation, plans of campaign have been made and unmade, measures adopted and apparently abandoned and generally speaking steps of the most important and even vital character have been taken, postponed or rejected without the slightest consultation with the authorities of this Dominion.

It can hardly be expected that we shall put 400,000 or 500,000 men in the field and willingly accept the position of having no more voice and receiving no more consideration than if we were toy automata. Any person cherishing such an expectation harbours an unfortunate and even dangerous delusion. Is this war being waged by the United Kingdom alone or is it a war waged by the whole Empire? If I am correct in supposing that the second hypothesis must be accepted then why do the statesmen of the British Isles arrogate to themselves solely the methods by which it shall be carried on in the various spheres of warlike activity and the steps which shall be taken to assure victory and a lasting peace?

It is for them to suggest the method and not for us. If there is no available method and if we are expected to continue in the role of automata the whole situation must be reconsidered.[1]

Procrastination, indecision, inertia, doubt, hesitation and many other undesirable qualities have made themselves entirely too conspicuous in this war. During my recent visit to England a very prominent Cabinet Minister in speaking of the officers of another Department said that he did not call them traitors but he asserted that they could not have acted differently if they had been traitors. They are still doing duty and five months have elapsed. Another very able Cabinet Minister spoke of the shortage of guns, rifles, munitions, etc., but declared that the chief shortage was of brains.

Yours faithfully,

ROBERT L. BORDEN

[1] On January 12, 1916 Borden cabled Perley as follows: "Respecting my letter of 4th instant regarding our participation in direction of war please take no further steps at present". He then instructed his secretary to ask for confirmation of the receipt of the cable, which reached London before the letter.

185. *Acting High Commissioner to Prime Minister*

TELEGRAM London, January 5, 1916

Your cables second December. Admiralty give twenty as number ships released from transport work for Canadian service since first January 1915. In addition we have secured release of three of which notice of requisitions had been given.

186. *Colonial Secretary to Governor General*

TELEGRAM London, January 5, 1916

SECRET. With reference to your cypher telegram December 29, wheat that has been already purchased was originally intended for account of Italian Government. French Government have however agreed to make their purchases of wheat in co-operation with British authorities through a common firm of brokers who will engage necessary tonnage as far as possible, and Italian Government are being asked to participate in this arrangement. Agreement has been entered into by His Majesty's Government with Ross T. Smyth and Company and French Government and Italian Government have been asked to concur. It is the intention of His Majesty's Government to establish Committee for carrying out arrangement and it is suggested this Committee should take over such portion of the 12 million bushels of wheat requisitioned by Canadian Government as already have not been shipped to Italy or for which tonnage has not yet been chartered. As to this proposal I shall be glad to learn whether your Ministers see any objection. It is desired, pending adoption of new scheme, that your Ministers should not stop chartering tonnage for wheat. As regards oats a further communication will be addressed to you. As regards licensing of ships see my telegram of 1st January. Respecting enquiry made in your telegram of December 20, it is not possible to fix respective ports of destination of ships mentioned until information available as to when they will be ready to leave.

BONAR LAW

187. *Colonial Secretary to Governor General*

SECRET DESPATCH

Sir, Downing Street, January 5, 1916

With reference to Your Royal Highness's telegram of the 22nd ultimo, relative to the requisitioning of steamers on the Canadian route, I have the honour to transmit to you, for the secret information of your Ministers, copies of correspondence with the High Commissioner for Canada regarding the requisitioning of the steamship *Corsican*.

I have etc.

A. BONAR LAW

[ENCLOSURE]

Acting High Commissioner to Colonial Secretary

London, December 21, 1915

Dear Mr. Bonar Law,

It having been brought to my notice that the Admiralty had requisitioned the Allan Line Steamer *Corsican,* I made a strong protest direct to the Director of Transports owing to the urgency of the matter, only to be informed that the Government necessity was so great that the vessel could not be released.

This is one of the only five mail boats left on the Canadian route and I am informed that the remaining four cannot carry on even a regular weekly service. In all our discussions no one has suggested that it is possible for Canada to get on with less than that as a minimum, and, as it is a very serious matter, I shall be glad of your assistance to put it right.

I enclose a copy of the correspondence[1] which has taken place in connection with the *Corsican* from which you will see what a very large proportion of the Canadian Pacific Railway-Allan Line steamers has been lost to the pressing commercial needs of the Dominion: in addition, there is now no Canadian Northern service and no Cunard or White Star-Dominion direct sailings.

It will be evident to you, without my labouring the point, that in such circumstances the inconvenience and loss due to lack of transport must be bearing already very heavily upon Canadian producers and exporters of food and other goods, and it is earnestly desired to prevent any further contraction of ordinary business.

Sincerely yours,

GEORGE H. PERLEY

188. *Governor General to Colonial Secretary*

Ottawa, January 8, 1916

PARAPHRASE OF TELEGRAM

Deputy Minister Naval Service and Overseas Director Transport report [to] my Government as follows. Begins. Out of forty transports allotted by Admiralty to meet Overseas requirements many are not being promptly returned and are diverted to Mediterranean ports. Fifty thousand tons supplies now at Seaboard or on Railway lines converging thereto and no transports available. Railway companies for self protection about to place embargo on acceptance of Imperial Government supplies except munitions and even munitions cannot be accepted longer than next week unless relief quickly forthcoming. Munitions Board advise that this will mean closing down munition factories throughout Canada as no storage accommodation available. Meantime War Office cables for prompt shipment hay and flour. Ends. My

[1] Not printed.

advisers earnestly hope you will press upon Admiralty great importance of not diverting transports as continuance present conditions must have disastrous results.

ARTHUR

189. *Governor General to Colonial Secretary*

PARAPHRASE OF TELEGRAM Ottawa, January 10, 1916

SECRET. Canadian Government concur in suggestion contained in your cypher telegram of 5th January that committee should take over requisitioned wheat and transport. Rates are very high but in the meantime Canadian Government will charter such tonnage as is possible.

ARTHUR

190. *Order in Council*

P.C. 36 January 12, 1916

The Committee of the Privy Council have had before them a report by the Prime Minister dated 3rd January, 1916, representing that he has recently conferred with the Minister of Militia and Defence respecting the importance and necessity of a further Order in Council increasing the authorized military forces of Canada during the present war.

The Prime Minister observes that by Order in Council dated 6th August, 1914, Your Royal Highness, in view of the state of war existing between the United Kingdom and the Dominions, Colonies and Dependencies of the British Empire on the one side, and Germany on the other side, creating a menace to the well-being and integrity of the Empire, declared it to be desirable to mobilize militia units of such effective strength as might from time to time be determined by Your Highness in Council, such units to be composed of officers and men who are willing to volunteer for overseas service under the British Crown.

The Prime Minister further observes that by Orders in Council dated respectively 7th November, 1914 (P.C. 2831), 8th July 1915 (P.C. 1593), and 30th October, 1915 (P.C. 2559), the Minister of Militia and Defence was authorized to raise, equip and send overseas for the purposes aforesaid, officers and men not exceeding two hundred and fifty thousand, including those who had already been raised and equipped under authority of the said Orders in Council, and including also those who had been, or might hereafter be raised for garrison and guard duties in Canada.

The Prime Minister further observes that the developments in the various theatres of war during the past year unmistakably indicate the necessity of further vigorous and united effort on the part of all His Majesty's Dominions to bring to a victorious and honourable conclusion the present conflict which unquestionably involves the power, integrity and welfare of the Empire, and even constitutes a menace to its existence. The realization of the great issues thus involved in the war has elicited from the manhood of the Dominion a

widespread and splendid response ever since the outbreak of hostilities. The Prime Minister is convinced that this impressive response will be continued to the further appeal which is now proposed.

He therefore recommends, with the approval of the Honourable the Minister of Militia and Defence that the last-named Minister be authorized to raise, equip and send overseas for the purpose aforesaid officers and men not exceeding five hundred thousand, including those who have already been raised and equipped under authority of the said Orders in Council, and including also those who have been, or may hereafter be raised for garrison and guard duty in Canada.

The Committee concur in the foregoing and submit the same for approval.

191. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, January 17, 1916

SECRET. With reference to your telegram January 9th, Admiralty inform me that congestion had already been brought to their notice and provision made meet requirements. Between January 12th and January 19th five transports due to arrive and between January 19th and January 25th fourteen more. Besides diversion many causes have contributed to temporary shortage but it is hoped that no difficulty in clearing stores will now be experienced.

BONAR LAW

192. *Colonial Secretary to Governor General*

DESPATCH 61 Downing Street, January 18, 1916

Sir,

I have the honour to transmit to Your Royal Highness to be laid before your Ministers, a copy of the Parliamentary Debates (House of Commons 10th January) on a Resolution which was adopted by the House "That with a view to increasing the power of the Allies in the Prosecution of the War, His Majesty's Government should enter into immediate consultation with the Governments of the Dominions in order with their aid to bring the whole economic strength of the Empire into co-operation with our Allies in a policy directed against the enemy."

I have etc.

A. BONAR LAW

193. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, January 20, 1916

SECRET. My Prime Minister informs me that the Government of Canada have had under consideration the military requirements of the present war and offer to His Majesty's Government a fourth Canadian Division for service at the front.

Its three component infantry brigades can be made up of battalions selected from those already in England (the battalions so selected being replaced by others from Canada), and the "divisional troops" (cavalry, artillery, engineers, etc.) can be organized in Canada directly after the units required to complete the third Canadian Division have gone overseas, which ought to be before the end of February next.

ARTHUR

194. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH Downing Street, January 20, 1916

Sir,

With reference to my telegram of the 17th January, I have the honour to transmit to Your Royal Highness, for the confidential information of your Ministers, a copy of a letter from the Admiralty on the subject of Transports for Canadian requirements.

I have etc.

A. BONAR LAW

[ENCLOSURE]

Admiralty to Under-Secretary for Colonies

January 14, 1916

Sir,

With reference to your letter of the 11th instant transmitting a copy of a telegram received from the Governor General of Canada regarding Transports allotted to meet Oversea requirements, I am commanded by My Lords Commissioners of the Admiralty to state, for the information of the Secretary of State for the Colonies, that the congestion of Military Stores in Canada has already been brought to their notice and provision made to meet requirements.

The temporary shortage of Transports in Canada is due to many causes besides diversion.

I am to attach hereto a copy of a letter addressed to the Director of Movements, War Office, by Director of Transports, Admiralty, showing arrangements made to ensure the necessary flow of supplies.

I am etc.

W. GRAHAM GREENE

[SUB-ENCLOSURE]

Admiralty to War Office

January 9, 1916

With reference to a copy of a telegram from Militia, Canada, referred to this Department, relative to railway congestion at Halifax and St. John (N.B.) caused by delay in arrival of Canadian Store Transports I have to

inform you that steps have already been taken to relieve the congestion. Two ships previously allocated for timber, the *Haulwen* and *Clan Murray* are being used for store service, and other immediate ships will be requisitioned.

Five transports are due to arrive in Canada between 12th and 19th instant, and 14 more between 19th and 25th, so that no difficulty in clearing stores should be experienced after the 12th January.

The delay in the arrival of the transports has chiefly been caused through the difficulty of obtaining prompt vessels. On 21st October, Naval, Ottawa, asked for 18 more transports and these have all been obtained, making 41 in all. Many of the vessels previously on service had to be changed for larger ships owing to the difficulty of crossing the Atlantic during the winter months, and also the necessity of conveying large motor launches. Nine of these new vessels are not ready for service. The general scarcity of tonnage and the steps necessary to secure a sufficient supply of foodstuffs for this country have also greatly contributed to the difficulty of obtaining ships as promptly as desired.

Delays have also been caused through the following reasons: Three vessels that should now be in Canada have been badly damaged, but these are now practically ready to resume service.

There has been a serious shortage of flour in Egypt and this has necessitated some of the transports being sent to Alexandria with Canadian flour, to meet urgent requirements, their return to Canada being thus delayed.

It has also been necessary for many of the ships to unload at Devonport, Portsmouth and Havre, and in future cases Dunkirk will be included. Delays are also caused through vessels being diverted at the last moment to ports other than their destination, at the request of the Inspector General of Communications.

This Department has pointed out to the Naval Authorities in Canada the necessity of advising us before difficulties become acute instead of after, and it is hoped that with the measures now taken the necessary flow of supplies will be maintained.

E. J. Foley
For Director of Transports

195. *Colonial Secretary to Governor General*

Telegram London, January 31, 1916

Secret. With reference to your telegram 20th January, much gratification is expressed by Army Council at your Government's generous offer of four divisions. In view, however, of the necessity of having trained reinforcements required at short notice in England for three divisions in France, it will be

necessary to continue to utilize the personnel of battalions in England as reinforcements until others are available to replace them. The only source from which supply drafts can be found are these battalions, and they are not more than sufficient for the purpose, their number having been reduced for the formation of the Third Division.

Army Council, subject to this reservation, will undertake the formation of infantry brigades of the Fourth Division from battalions in England. Before any battalion is despatched your Government should ascertain that suitable accommodation is available.

BONAR LAW

196. *Prime Minister to Acting High Commissioner in United Kingdom*

Ottawa, February 11, 1916

TELEGRAM

CONFIDENTIAL. Laurier has given notice of motion for committee to enquire into all purchases shells or other munitions or goods by Shell Committee and into all contracts made or orders given by that Committee. We intend opposing motion on ground that investigation should be made in British House of Commons as all contracts and orders were mainly given under control British Government. Please sound Ministry Munitions quietly and confidentially as to their view and cable not later than Monday.

BORDEN

197. *Memorandum by Governor and Prime Minister of Newfoundland*

St. John's, February 12, 1916

The Defence Committee of the Executive Council of Newfoundland met on the morning of the 12th February, 1916, under the presidency of the Prime Minister Right Honourable Sir E. P. Morris, K.C.M.G., to meet and consult with Captain F.C.C. Pasco, R.N., as representative of the Dominion Government on the subject of the defence of Canadian and Newfoundland shores, and the Trade Routes in their vicinity, against attacks by enemy submarines.

Acting Commander A. MacDermott, R.N., H.M.S. *Calypso* and Captain G. H. F. Abraham, General Staff Officer, were also present by invitation.

After discussion the following suggested plan was embodied as the proposal of the Newfoundland Government, being additional to the patrol already organized by the Dominion Government.

1. The sea patrol to be a joint one under the sole control of Captain Pasco, the Dominion Government's Senior Naval Officer at Sydney.

2. The Dominion Government to engage and arm 3 or 4 vessels for the patrol of the waters to the Eastward of the Great Banks, the Newfoundland Government supplying and paying the crews of these vessels. The question of the military command of these vessels to be considered later.

These vessels to be based on St. John's, Newfoundland, and to be controlled by Acting Commander A. MacDermott, H.M.S. *Calypso,* acting under the orders of, and as deputy of the Senior Naval Officer, Sydney. (Captain Pasco).

3. The Dominion Government to arm and equip a schooner with wireless telegraphy for duty on the Grand Banks, to board all unknown, and foreign fishing vessels, and to collect and communicate to the patrol any information picked up amongst the fishing fleet. The crew to be men with a knowledge of the types of craft usually visiting the Banks. The vessel to be manned in Newfoundland and based on a Newfoundland port.

4. The Newfoundland Government to patrol their own coasts from St. Pierre, Eastward to Belle Isle Straits, with two vessels, one of them being the Newfoundland Government Vessel *Fiona,* which will also at the same time be employed on Customs Service, but with the distinct understanding that her patrol duties take precedence, and that the Senior Naval Officer, Sydney, can order her to visit any point should he need to. These two vessels would report their positions daily to St. John's. These two vessels to be armed, manned and paid by the Newfoundland Government (guns ex H.M.S. *Calypso*), and have wireless telegraphy. The remainder of the coast of Newfoundland to be patrolled by the Dominion Government vessels as in 1915.

5. With regard to the vessels referred to in paragraphs 2 and 3, should the Dominion Government decide to purchase them in Newfoundland, the Newfoundland Government will assist in the selection and hire or purchase on the best terms.

6. Should the Dominion Government desire a draft of say, 50 men for manning the patrol vessels already in their service, (to be paid by the Dominion Government), the Newfoundland Government will endeavour to obtain them.

7. It was considered that the patrol should be in force from the middle of June to the middle of September.

AGREED, subject to the concurrence of my Ministers.

W. E. DAVIDSON
Governor

E. P. MORRIS
Prime Minister

198. *Acting High Commissioner to Prime Minister*

TELEGRAM London, February 14, 1916

CONFIDENTIAL. Have seen Minister Munitions who says cannot agree that responsibility for Shell Committee entirely in British Parliament but thinks it partly Canadian and partly British. He would prefer that you should take ground that you could not properly order investigation without consent British Government and when you placed matter before them they would reply that they considered same most undesirable now and have no time for it under existing pressure of work and so question would be postponed until after war. Explained objections this course and that you would be practically obliged now to either refuse investigation on grounds taken by Liberals after Boer War or else accept responsibility for Shell Committee in which case you could hardly refuse immediate investigation as you had already had Commission enquiring into matters connected with Militia Department. Minister Munitions much disinclined even unofficially give advice regarding best course for Canadian Government to take as he appreciates greatly your splendid work and desires do nothing looking like interference. If you make reply as you propose he will loyally govern himself accordingly and if any questions are asked here he will take utmost care say nothing make your position awkward and for that purpose Minister would like you cable me gist your statement in House for his definite information as newspaper reports often inaccurate.

PERLEY

199. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, February 21, 1916

SECRET. Believe you should carefully watch movements Admiralty in requisitioning ships when they act on advice of interested persons. Why does Admiralty not consult us before requisitioning ships employed by Canadian Companies. There must be either consultation or representation upon requisitioning board.

BORDEN

200. *Governor General to Colonial Secretary*

PARAPHRASE OF TELEGRAM Ottawa, February 22, 1916

SECRET. My advisers most fully realise the paramount necessities of the war for which Canada is prepared to make every necessary sacrifice and they understand that requisitioning of ships in all parts of Empire is unavoidable. Nevertheless, as ability of Canada to undertake unusual burdens and fulfil unforeseen obligations necessitated by war depends upon preservation of her industrial and commercial stability they feel it their duty to urge that His Majesty's Government, in requisitioning ships employed in highly important

Canadian industries should have regard to local necessities and conditions so far as possible. They see no reason why His Majesty's Government should omit consultation with them before taking action of a highly disturbing character, and they believe that in some such cases there has been an imperfect realization or appreciation of Canadian conditions and necessities and the effect thereon of action which has been taken. Consultation is in their opinion not only desirable but essential as Canada has no representation in the authority which determines such questions seriously affecting her national interests.

ARTHUR

201. *Acting High Commissioner to Prime Minister*

TELEGRAM London, February 23, 1916

SECRET. From own personal observation should doubt any suggestion that Admiralty are unfairly influenced regarding selection requisitioned ships but thoroughly approve suggestion that we should be represented on Selection Board and will urge same.

PERLEY

202. *Order in Council*[1]

P.C. 273 February 23, 1916

The Committee of the Privy Council have had before them a report, dated 9th February, 1916, from the Minister of Militia and Defence, submitting that on 16th September, 1915, an Order in Council (P.C. 2138) was approved on the subject of promotions in the Canadian Expeditionary Force, the fourth paragraph of which reads:

> The Minister further recommends, with the concurrence of the Minister of Militia and Defence, that promotions of officers be made without reference to the Canadian Government upon the recommendation of—
>
> (*a*) The General Officer Commanding Canadian Expeditionary Force, in the case of units serving on the Continent of Europe;
>
> (*b*) The General Officer Commanding Canadians, Shorncliffe, in the case of units serving in the United Kingdom.

The Minister observes that the situation, however, has changed since the Order under reference was approved. Soon there will be at the front a Canadian force in strength exceeding three Divisions; and in England there will be, with other Canadian troops, two Training Divisions—one at Shorncliffe, the other at Bramshott.

The Minister, therefore, recommends that the above quoted paragraph be cancelled, and that the following be substituted therefor:

> While it is recognized that for purposes of command and administration in lands overseas other than the United Kingdom, British West Indies and Bermuda, the Canadian Expeditionary Force is under the direction of the Field Marshal or

[1] Sent to War Office through Colonial Secretary, February 29, 1916.

General Officer Commanding in Chief the forces of which it forms a part, the Minister of Militia and Defence recommends that promotions and appointments in the Canadian Overseas Contingent be made as follows:

(*a*) In the case of Headquarters and other units serving in the United Kingdom, British West Indies, and Bermuda, a copy of such recommendations shall be submitted to the Army Council before approval by the Governor General in Council but otherwise as if in Canada;

(*b*) In the case of Headquarters and other units serving Overseas, elsewhere than in the United Kingdom, British West Indies and Bermuda, through the Field Marshal or General Officer Commanding in Chief the force of which such units form part;

(*c*) In each case, subject to the recommendation of the Minister of Militia and Defence, and to the approval of the Governor in Council;

(*d*) After approval by the Governor in Council, an official copy will be transmitted forthwith to the Army Council.

The Committee concur in the foregoing recommendation and submit the same for approval.

203. *Prime Minister to Acting High Commissioner in United Kingdom*

CONFIDENTIAL

My dear Perley, Ottawa, February 24, 1916

Mr. Hughes sails from New York on the 25th inst. He spent four days in Ottawa; and during his visit to Canada from the time of landing at Vancouver until he passed across the boundary at Niagara, he and his party were the guests of the Canadian people.

We had very intimate discussions as to matters touching the conduct of the war and the future relations of the Empire. I found him possessed with a wonderful fund of information in detail as to all that Australia has done. His opinion as to the future necessity of the Overseas nations having an adequate voice in the Empire's foreign policy coincides entirely with my own.

As you doubtless observed we made him a member of the King's Privy Council for Canada, which he greatly appreciated. Indeed his visit to Canada will certainly improve, if possible, the common understanding and excellent relations between this Dominion and the great Southern Commonwealth.

I hope you will get in touch with him during his visit to London. He has a wonderfully alert and active mind and I regard him as a very able man.

Yours faithfully,

ROBERT L. BORDEN

204. *Acting High Commissioner to Colonial Secretary*

CONFIDENTIAL

Dear Mr. Bonar Law, London, March 3, 1916

Last week I showed you a private cablegram from Sir Robert Borden urging that there should be Canadian representation on the Requisitioning Board, or else that there should be previous consultation before ships engaged

in Canadian trade are taken. You were good enough to promise to speak to Mr. Runciman on the subject, and you afterwards told me that you had done so, and that Mr. Runciman thought the suggestion was worthy of consideration, that someone should be on the Board thoroughly conversant with Canadian trade and conditions.

To-day I am in receipt of the following cable on the subject from Sir Robert Borden:

> Confidential—We gravely apprehend that Admiralty's action in requisitioning *Batiscan* and *Maskinongé* will shut down munition plants and hay pressing establishment in St. John both of which are engaged in filling orders from British Government. Please urge that Admiralty should not take action gravely and even dangerously disrupting local transportation facilities without first consulting us and without proper inquiry. Admiralty officials are probably unable to realize the great distances to which supplies of coal and other necessaries of life must be carried in Canada.—I again urge that Canada should be represented on any board which controls requisitioning of ships employed in our local trade.

You will note that the position is acute at the moment on account of the steamers *Batiscan* and *Maskinongé* about which we have had several meetings, and a lot of correspondence with the Admiralty.

The general question is one which I am anxious to get settled as Sir Robert suggests, because I feel that it is very necessary that Canadian business interests should be protected in every possible way, and that nothing should be left undone to satisfy the Canadian people that every possible effort is made by the Admiralty to do so.

I hope you will see your way to give us your further assistance in this direction.

Yours sincerely,

GEORGE H. PERLEY

205. *Acting High Commissioner to Prime Minister*

CONFIDENTIAL

London, March 4, 1916

Dear Sir Robert Borden,

I am sorry to say that the question of a sufficient supply of merchant vessels is becoming more and more acute here. The complaints and difficulties in connection with the requisitioning of ships will already have brought this home forcibly to you, and we have had considerable correspondence on the subject in which I have endeavoured to explain the situation here.

The cases of the *Batiscan* and *Maskinongé* have shown the necessity of having someone on the Requisitioning Committee who is conversant with Canadian trade and conditions. We have not yet received any definite decision regarding these two vessels. We have seen the officials at the Admiralty and have written them several times and done everything we possibly could to get relief in this instance, but I doubt if the Admiralty will give way. We expect to have a definite decision from them in writing

to-morrow. As you will have seen by the cables already sent to you, the Admiralty are not very well satisfied with the position taken up by the Dominion Coal Company regarding these boats. They think that trade with the United States should not be allowed to interfere with Imperial war requirements, and that the Dominion Coal Company would still be able to provide the necessary coal for the ships and industries at St. John and Halifax if they refused to allow United States contracts to interfere with their so doing. However, whatever the decision may be regarding the *Batiscan* and the *Maskinongé,* the general question as to the method of requisitioning of ships engaged in Canadian trade has become of the greatest importance. I have been thinking of taking it up myself and was very glad to get your cable putting forward your views regarding it. I am urging it as strongly as I can both by letter and personal interviews, all of which will be explained to you by cable and letter from time to time as we arrive at any definite conclusion. I think that if there is a man put on the Requisitioning Committee who knows about our needs it will do a great deal to relieve the situation, but at the same time it will not stop the complaints from Canadian interests, or the urgent requests which you will receive to help them in getting their various ships released.

My reason for writing you now is that I want to try and explain to you the situation regarding ships as I see it. As a matter of fact there are not nearly sufficient merchant vessels available for the needs of the British Empire and the Allies. The chief reasons for this state of affairs are that all the enemy ships are tied up, and that such a large number are required to perform war services. I understand that about three-quarters of all the British ships are now being used for that purpose. The Allies have comparatively little merchant shipping themselves, and therefore have to rely largely on this country. The French, and even more the Italians, are complaining that Great Britain is not sufficiently alive to their necessities because they are not being supplied with as many vessels as they require. You know how much trouble any feeling of that kind might make between the Allies, and how necessary it is to do everything possible to avoid it. When I was in France the other day the British Quartermaster-General told me that they had had to reduce the rations of hay for the horses because there were not enough ships available to take over a sufficient supply of hay for that purpose. I believe that the French are having exactly the same difficulty, and I know that the Italians have been very fearful that their supplies of wheat and other food for the civil population would not reach their country fast enough to supply their wants. In fact the Admiralty is finding the greatest difficulty in carrying on all the absolutely necessary sea services, and Mr. Bonar Law himself told me the other day that they had been unable to send away some troops, as they wanted, because they had no vessels to send them in.

I take it that under these circumstances the conditions will continue to grow more and more difficult, and every part of the Empire is going to suffer in consequence. I am sure that you do not think that all the troubles regarding shortage of vessels are in connection with Canada. I have explained to

you a little regarding the Allies, but of course the other Dominions are having fully as much difficulty as we are if not more. I think that in the matter of ships we are all going to have to put up with a lot of inconveniences and loss, and that only the absolutely essential services will be able to survive the pressure. The Admiralty has always shown every disposition to try and meet your wishes, but they are under present conditions forced to inquire most carefully into every complaint or request for release, so that in every case full information is necessary to a successful argument, and a mere statement of the owners that a boat is imperatively required, no matter how strongly it might be made, does not carry very much weight, and only leads to a request for a detailed statement of facts.

I should judge that the shipping question is really the most serious difficulty we have to face in connection with this war; it is even possible that it may be the vital one. Under these circumstances I am afraid that you are bound to be greatly worried in connection with it, and I hope that our friends are coming to understand it in that way. We have not enough vessels for our needs, but all the same the Admiralty have got to provide vessels for those which are the most imperative. I am sorry to inflict such a long letter on you, but it may possibly give you a little more light on this extremely important and difficult question.

Yours sincerely,

GEORGE H. PERLEY

206. *Acting High Commissioner to Prime Minister*

London, March 6, 1916

TELEGRAM

Proposal appoint Canadian Representative on Transport Advisory Committee not acceptable Admiralty as they think it undesirable introduce principle representation special interests on that Committee. Admiralty explain verbally precedent would be awkward and produce many similar requests. Board of Trade now acting jointly with Admiralty in this matter. They suggest two possible alternatives: first appointment by them member Committee conversant with Canadian shipping who would be precisely in same position as other members and expected equally be impartial in his advice, second arrangement under which before taking Canadian boats or boats engaged exclusively in Canadian trade Transport Department would ascertain opinion such man conversant with Canadian shipping without his actually being member committee. They are disposed favour second proposal but personally I feel strongly that first would work out best. Think it might be accepted in lieu definite representation. They ask me what individual would be satisfactory to us under either alternative and I suggested Hugh Allan as being eminently suitable. Expect shortly have further meeting with Admiralty and Board of Trade jointly for purpose finally settling this matter. Please cable your views.

PERLEY

207. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, March 7, 1916

Laurier moved this afternoon resolution investigation Shell Committee. Speech exceedingly weak and altogether based on newspaper rumors. He alleged that percentage deliveries small and that Committee had not measured up to task, that its work had been entirely unsatisfactory and that some contracts had been awarded through middlemen. Never heard him less effective. He said it was necessary probe all these rumors and remedy conditions. In reply I gave report Munitions Board as to deliveries, pointed out wonderful results that had been accomplished by Canadian industries without experience in manufacturing munitions, quoted Thomas interview thirty first October and Hichens letter twenty ninth November. Gave comparison prices in Britain, Canada and States without disclosing actual contract prices. Pointed out that Committee had not expended Canadian money but that all expenditure was on behalf British Government. Urged inexpediency of investigation during war; argued it would be proper investigation for British Parliament and not by ours; that British Parliament would not countenance such investigation during progress present struggle. In conclusion declared that Laurier's speech and those of his followers would be submitted to British Government and if that Government desired or sanctioned investigation Canadian Government would cooperate with them by issuing Royal Commission or otherwise for that purpose, but without their sanction or direction we would not permit any investigation even by Royal Commission, much less Parliamentary investigation. Further said if Laurier had any charge to make against Canadian Government or any of its members immediate investigation would be granted without question.

BORDEN

208. *Minister of Finance to Acting High Commissioner in United Kingdom*

TELEGRAM [Ottawa], March 9, 1916

See Chancellor Exchequer at once about proposals before him respecting credit to be established here for Imperial Government with Canadian Banks. President Canadian Bankers' Association has officially advised me that Canadian Banks are prepared to advance for Imperial Government account here the sum of sixty-five million dollars probably more upon the following conditions: Loan to run for one year from date of advance or advances with option to Imperial Government of renewal for six months or a year. Interest rate five per cent per annum payable quarterly with one half per cent commission payable at date of advance. New orders for munitions to be placed forthwith in Canada through Imperial Munitions Board to amount of advance. Security Imperial Treasury Bills one year five per cent to

amount of loan to be deposited with Bank England London for account of Minister of Finance Trustee for banks. Treasury Bills not to be pledged or sold in United States. Advances repayable in Canadian currency in Canada. Advances to be made in one sum or in monthly instalments April, May and June as individual banks may decide. Banks will credit amounts to Imperial Munitions Board here. Advances to be spent in Canada only. If Chancellor agrees to terms ask him to lodge Treasury Bills for my account as Trustee with Bank England and I will at once notify Banks that arrangement completed.

WHITE

209. *Prime Minister to Acting High Commissioner in United Kingdom*

Ottawa, March 13, 1916

TELEGRAM

CONFIDENTIAL. Approximately we have sixty thousand men at the front, forty thousand in England and nearly one hundred and forty thousand under arms in Canada. Is there any reason why our troops in Great Britain should not be pushed more rapidly to the front and our troops in Canada transported more expeditiously across the Atlantic. Please ascertain confidentially from Colonial Secretary or War Office reason for this condition. It has been alluded to frequently during session and it seems not wholly satisfactory.

BORDEN

210. *Acting High Commissioner to Prime Minister*

London, March 13, 1916

TELEGRAM

Please advise whether any possibility building merchant ships in Canada as suggested my letters November eighteenth February eleventh.

PERLEY

211. *Acting High Commissioner to Prime Minister*

London, March 15, 1916

TELEGRAM

CONFIDENTIAL. Of the forty thousand troops now in England twelve thousand five hundred are convalescents and for various reasons ineffective. Of remainder five battalions now at Bramshott seem to be intended as nucleus for Fourth Division, balance certainly not more than required for reserves as normal wastage amounts to about twelve percent per month. Saw War Secretary this morning who says he considers present quantity effective troops here only sufficient for reasonable reserve pending further arrivals from Canada which will of course be required regularly. Secretary

says battalions retained Bramshott for nucleus Fourth Division appear specially suitable for that purpose and he would like so retain them. Regarding your question why troops in Canada can not be transported more expeditiously across Atlantic, War Secretary wishes know how many of men we now have in Canada are fairly trained and ready come over immediately. War Secretary will on receipt this information take question up personally with Admiralty as he is anxious have troops sent forward. Please advise further.

PERLEY

212. *Governor General to Colonial Secretary*

PARAPHRASE OF TELEGRAM Ottawa, March 24, 1916

SECRET. Opinion of Admiralty desired by the Minister of Naval Service as to advisability of constructing in Canada two submarines and two torpedo boat destroyers. These might be ready for opening of navigation next year.

ARTHUR

213. *Order in Council*

P.C. 775 April 3, 1916

The Committee of the Privy Council have had before them a report, dated 31st March, 1916, from the Right Honourable Sir Robert Laird Borden, the Prime Minister, respecting the desirability of appointing a Royal Commission to inquire into certain contracts made by a committee (known as the Shell Committee and herein referred to by that designation) of which General Sir Alexander Bertram was chairman.

The Prime Minister observes that the Committee was constituted for the purpose of acting for the Government of the United Kingdom (hereinafter referred to as the British Government), and especially for the War Office and afterwards the Ministry of Munitions, in giving orders under the direction and subject to the approval of the British Government, for shells required for the purposes of the present war; and that the expenditure made by the Shell Committee for that purpose was on behalf of the British Government.

The Prime Minister further observes that on the evening of Tuesday, the 28th March, in the course of a debate upon a motion previously moved by Sir Wilfrid Laurier, Mr. George W. Kyte, one of the members of the House of Commons, made certain observations with respect to the contracts hereinafter mentioned which had been entered into by the Shell Committee on behalf of the British Government.

The Prime Minister also observes that on Thursday, the 30th day of March, he made an announcement in the House of Commons with respect to the matters alluded to by Mr. Kyte, a copy of which announcement is hereto appended.

The Prime Minister considers that having regard to the considerations set forth in the said announcement it is desirable that a commission under Part One of the Inquiries Act be issued for the purpose of making a full and

complete inquiry and investigation into the following contracts made by the Shell Committee, namely, a contract bearing date 19th day of June, A.D. 1915, between the International Arms and Fuse Company, a body politic and corporate, and the Shell Committee; a contract bearing date the 19th day of June, A.D. 1915, between the American Ammunition Company, Incorporated, a body politic and corporate, and the Shell Committee; by each of which contracts the Shell Committee agree to purchase from the respective companies aforesaid a quantity of fuses of the description and upon the terms therein stated. Also a contract constituted by an order bearing date on or about the 16th day of July, 1915, given by the Shell Committee to the Edwards Valve Company of Chicago, and accepted by that company, by which order the Shell Committee agreed to purchase a quantity of cartridge cases of the description and upon the terms therein stated. Also an alleged contract between the Shell Committee and the Providence Chemical Company of St. Louis by which contract the Shell Committee agree to purchase a quantity of picric acid, if it should appear that the said Shell Committee has entered into such contract.

The Prime Minister, therefore, recommends that a Commission for the purposes aforesaid do issue under the said Part One of the Inquiries Act directed to the Honourable Sir William Ralph Meredith, Kt., Chief Justice of Ontario, and the Honourable Lyman Poore Duff, one of the Justices of the Supreme Court of Canada, authorizing and requiring them with all reasonable diligence to make full and complete inquiry into the contracts aforesaid and each of them and into the acts and proceedings of the Shell Committee, whether by themselves or by any other person or persons directly or indirectly, and of the Minister of Militia and Defence whether by himself or by any other person or persons directly or indirectly in relation thereto or in connection therewith and into the negotiations therefor, the profits or prospective profits arising thereunder, the disposition, division or allotment of such profits or prospective profits, or of any commission or reward for procuring the said contracts or any of them and as to the persons interested in any such profits, prospective profits, reward or commissions, and generally speaking into all other acts, transactions and matters of every kind relating to the said contracts and each of them and to report the result of such inquiry with the evidence taken therein. Also to inquire into such other matters relating to the acts or proceedings of the Shell Committee as may be referred to the said Commissioners by Orders in Council from time to time and to report the result of any such further inquiries with the evidence taken therein.

The Prime Minister further recommends that the said Commissioners, for the purposes of the proposed inquiry, shall have all powers and authorities which could be conferred upon them by the Inquiries Act, Part One, including the powers and authorities mentioned or described in the eleventh section thereof as the same is enacted by the Act II George V (1912), chapter 28, intituled "An Act to amend the Inquiries Act."

The Committee concur in the foregoing recommendations and submit the same for approval.

214. *Colonial Secretary to Governor General*

TELEGRAM London, April 5, 1916

SECRET. With reference to your telegram March 24th the Admiralty state that they consider that any money available should be devoted to the construction of destroyers rather than submarines, former being valuable for local protection against submarines.

BONAR LAW

215. *Order in Council*

P.C. 887 April 15, 1916

Upon a memorandum from the Right Honourable the Prime Minister, dated the 13th day of April, 1916, touching a motion by Sir Wilfrid Laurier in the House of Commons on the 7th day of March, 1916, in the following terms:

> That a special committee of members of this House be appointed to inquire into all purchases of shells or other munitions or goods by the Shell Committee formed by the Minister of Militia, as stated in this House by the Prime Minister on the 15th April, 1915, together with all contracts made or orders given by the said committee for any shells or other munitions or goods, with authority to the said committee to examine witnesses under oath and to require the production of any documents, books, letters or papers; and that such special committee be directed to report from time to time to this House in such manner as it may think advisable.

The Prime Minister calls attention to his own remarks in the House of Commons in speaking upon this motion, in which he made the following statement:

> Now, what course does the Government propose to take with regard to the motion which my right hon. friend has proposed to this House? As far as the Shell Committee is concerned—I shall speak afterwards of another matter—our proposal is this: We shall direct the attention of the British Government in detail to every charge, allegation and rumour brought up in this House or elsewhere by my right hon. friend or by any of his supporters with regard to the Shell Committee. We shall further inform the British Government that if an inquiry is thought advisable, we are prepared to co-operate with them to the fullest extent, and to issue any commission, take any proceedings, pass any legislation, and do any other act for the purpose of making that inquiry as full, thorough, and complete as they deem advisable. But without their consent or approval, we do not propose to enter upon an investigation or inquire into such expenditures by the British Government.

The Prime Minister further observes that the expenditure made by the Shell Committee (so-called) was on behalf of the Government of the United Kingdom and was not on behalf of the Government of Canada; and that the Government of Canada did not fix or determine the prices to be paid for shells contracted for by the Shell Committee.

Having regard to these considerations and to the statement above quoted, the Prime Minister recommends that the Hansard report of the debate upon

the motion of Sir Wilfrid Laurier be transmitted to the Right Honourable the Secretary of State for the Colonies with the assurance that the Government of Canada is prepared to assist and co-operate, as stated by the Prime Minister in the House of Commons, in any inquiry or investigation into the transactions to which reference is made in the motion of Sir Wilfrid Laurier and that so far as the Government of Canada is concerned there is no objection whatever to the fullest investigation that may be thought desirable at any time.

The Prime Minister further recommends that a copy of the Order in Council approved on the 3rd instant, which authorizes the issue of a Royal Commission to the Honourable Sir William Ralph Meredith, Chief Justice of Ontario, and the Honourable Lyman Poore Duff, one of the Justices of the Supreme Court of Canada, be also transmitted to the Right Honourable the Secretary of State for the Colonies for the information of the Government of the United Kingdom.

The Committee concur in the foregoing recommendation and submit the same for approval.

216. *Governor General to Colonial Secretary*

PARAPHRASE OF TELEGRAM Ottawa, April 15, 1916

SECRET. Referring to your cypher telegram 5th April respecting construction of destroyers and submarines for Canadian Government my Ministers would be glad to know whether Admiralty under existing conditions consider that Canada should undertake construction at Montreal of two or three destroyers.

ARTHUR

217. *Governor General to Colonial Secretary*

PARAPHRASE OF TELEGRAM Ottawa, April 17, 1916

SECRET. With reference to my cypher telegram April 15th my Ministers ask that the following be added begins. Delivery of two such vessels could be made before the close of navigation nineteen seventeen.

ARTHUR

218. *Acting High Commissioner to Prime Minister*

TELEGRAM London, May 16, 1916

CONFIDENTIAL. My cable fourth regarding Canadian Air Service. Have talked privately with Chiefs both War Office and Admiralty aeronautics. Find their views practically agree. They would not advise starting factory in Canada for building machines but both would welcome suggestions Canadian Government School for training pilots and would like men receive longer and more complete instruction without attempting entirely finish their training. Personally approve their ideas; would like see Government Aviation School in Canada but don't think we should attempt at present Gov-

ernment factory for building machines. McCurdy anxious some definite decision; he will soon be ready return Canada. Brand, representative here Canadian Munitions Board, who is most anxious help Canadian interests, tells me his Board communicated with him regarding this same question and has been discussing with various officials here. Think most advisable that if Munitions Board wish do anything regarding this matter they should put their views forward through you in order that negotiations may be carried on through one channel only. Please cable your views and wishes.

PERLEY

219. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, May 19, 1916

CONFIDENTIAL. Yours sixteenth. Imperial Munitions Board have for some time been considering establishment aeroplane factory in Canada under their control. Think matter better left their hands as Canadian Government not prepared for present undertake establishment such factory. If factory started school should be in connection with it. Government are considering question granting assistance to factory[1] though strongly of opinion it is inadvisable at present establish anything like separate Canadian flying service. Imperial Munitions Board will ask Brand keep you informed of matter. McCurdy had no authority make suggestion mentioned your cable fourth.

BORDEN

220. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, May 26, 1916

SECRET. With reference to your cypher telegram April 15th it is with much pleasure that Admiralty note offer of your Government to construct two or three torpedo boat destroyers and they will gladly afford every assistance desired in the way of supplying detailed drawings etc. of latest British designs. It seems however very doubtful whether any of these vessels could be delivered before the close of navigation in 1917. Time of construction will probably be determined by arrangements to be made for constructing and installing machinery and it is desirable that your Government should telegraph as soon as possible their wishes as to supply of machinery designs and drawings and requirements in outline as to supply from this country of any auxiliary machinery and materials including turbines, turbine gearing, boilers or parts of boilers or tubes, shafting, condensers or condenser tubes etc.,

[1] This is the text as received in London, although a copy on the Borden War File has "assistance to school". Perley wrote Borden on May 28, "I take it ... you would like to see an aeroplane factory started in Canada ... and that you might even consider granting some assistance to that end ... [also that] you prefer that the question of a Government school should remain in abeyance ...."

as well as principal steel forgings (stern post, shaft, brackets, etc.,) and other details of hull. It may be necessary for Canadian officers to visit this country to discuss matters in further detail and for Admiralty officers to give assistance or advice in Canada. Admiralty point out that it deserves consideration whether arrangements such as those indicated which may not result in addition of any actual naval units to forces of Empire for summer of 1918 is under the circumstances really most economical utilization of Canadian and Imperial resources and whether as at present additional mercantile tonnage is of equal imperial necessity to naval tonnage the energies of Canadian yards could not perhaps be better employed on construction of merchant ships.

It is thought that the above deserves serious consideration but I do not wish to press the suggestion if unwelcome to your Ministers.

BONAR LAW

221. *Governor General to Colonial Secretary*

DESPATCH 358
Sir, Ottawa, May 31, 1916

I have the honour to transmit, herewith, copies of an Approved Minute of the Privy Council for Canada[1] on the subject of the appointment of the Royal Commission to investigate the transactions of the Shell Committee.

This Minute would have been forwarded to you at an earlier date but the President of the Privy Council requested that it might be held until the copies of the revised Hansard were obtainable. These were forwarded to me on the 29th instant.

I have etc.

ARTHUR

222. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, June 6, 1916

SECRET. Following from Prime Minister for Chief of General Staff, War Office. By reason of rumoured dissatisfaction with Ross Rifle I held consultation with General Hughes on 15th May and sent unofficial message to Commander in Chief that we were prepared to leave matter to his judgment after making all necessary tests of both rifles under such conditions as are experienced at the front. We suggested that men making tests should be of equal experience. Ross Rifle is only arm we are equipped to produce in Canada at present and we believe it efficient if properly used but are content to abide by judgment of Commander in Chief after thorough investigation and adequate tests. We realize absolute necessity of two conditions, first,

[1] Document 215.

that men shall be armed with thoroughly efficient rifle, second, that their confidence in such rifle shall be unshaken. Please let me have your judgment as to proper course to pursue.

ARTHUR

223. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, June 6, 1916

SECRET. Officers returned from front report that our enormous losses during past two months are due to occupation of a dangerous and useless salient which is held for purely sentimental reasons because it comprises Belgian territory. Aitken cables that our losses in recent fighting will exceed five thousand. Any useless sacrifices will profoundly and adversely affect public opinion here. Please investigate immediately and report.

BORDEN

224. *Acting High Commissioner to Prime Minister*

TELEGRAM [London,] June 8, 1916

SECRET. Your cable regarding salient. Chief General Staff regrets exceedingly our heavy losses but says confidentially ground now held has great tactical value. Would have to be retaken later if given up and relinquishing it now would have bad moral effect. He further says there are other points on line where losses are fully as great.

PERLEY

225. *Order in Council* [1]

P.C. 1396 June 10, 1916

The Committee of the Privy Council have had before them a report by the Prime Minister, dated the 8th January, 1916, with respect to the steps which have been taken under the Order in Council (P.C. 36), approved 12th January, 1916, copy of which is attached, by which authority was granted for increasing the Canadian Expeditionary Forces to five hundred thousand officers and men, including those raised for garrison and guard duties in Canada.

The Prime Minister observes that it is expedient that the steps taken from time to time to raise the forces authorized by the said Order in Council, should be brought to the attention of the Advisers of Your Royal Highness in each instance and that this can most conveniently be accomplished by providing that such units as are to be raised in the future must first be authorized by Your Royal Highness in Council.

The Prime Minister therefore recommends that before any further units of the force or any special units asked for by the War Office shall be

[1] Transmitted to the Colonial Secretary June 23, 1916.

authorized, or authority given for raising the same, authority shall be obtained from Your Royal Highness in Council for that purpose.

The Committee concur in the foregoing and submit the same for approval.

226. *War Office to Governor General*

TELEGRAM London, June 14, 1916

SECRET. Your 117A. The suggestion that all reinforcements after a total of fifty-two reserve battalions had been reached should be sent from Canada in the form of drafts was made with a view to avoiding continually increasing accumulation in England of battalions not required for training purposes and of practically no value as reinforcements for the units at the Front. There is no intention of pressing this suggestion if it is impracticable, as every man that Canada can provide will be welcome in whichever form is best suited to Canadian sentiment. However it is advisable that all ranks of battalions sent as reinforcements should be made to understand that they will eventually be sent to the divisions at the Front not in battalions but in drafts; it is further suggested for the consideration of the Canadian Government that a scheme be devised whereby the personnel of battalion headquarters not required as reinforcements for divisions at the Front could be returned to Canada for employment in training fresh units after a spell of duty in England.

THE CHIEF OF THE STAFF

227. *Colonial Secretary to Governor General*

TELEGRAM London, July 11, 1916

With reference to my telegram June 10th. Report from General Officer Commanding in Chief in France has now been received by Army Council recommending that second and third Canadian divisions should be re-armed with short Lee Enfield rifles and Army Council have approved this. They hope to be able to utilize Ross rifles released and also those now in possession of Canadian troops in England for other purposes connected with the war but ask that no more Ross rifles should be brought to England. Army Council will be responsible for supplying necessary rifles to Canadian troops on arrival in England. If your Government desire to undertake manufacture of different rifles suitable for use during war Army Council think that rifles now being produced in America for British Army on lines of Lee Enfield Mark III but with improvements would be best. Despatch follows by mail. No objection to publication of all above information after 15th July.

BONAR LAW

228. *Colonial Secretary to Governor General*

TELEGRAM London, July 28, 1916

SECRET. Following for Minister of Finance from Chancellor of the Exchequer. Begins. I think it would be of the greatest assistance to H.M.'s Government if you could arrange to come to London at the earliest possible date to give me an opportunity of discussing the question of financing our Canadian American purchases personally with you. Help you have already given me I much appreciate and I am sure that arrangements for future finance would be greatly facilitated by such a survey of the whole question as your visit would alone render possible. I realize what a serious demand I am making but in view of the urgency of the matter and its extreme importance I hope it will be possible for you to come.

BONAR LAW

229. *Colonial Secretary to Governor General*

TELEGRAM London, July 29, 1916

SECRET. I have been asked by the Chancellor of the Exchequer to send the following message. Begins. In view of impending exhaustion of existing Canadian credits it has become urgently necessary to arrange for further credits in Canada to provide the expenses of the Imperial Munitions Board. The Chancellor of the Exchequer trusts that the Dominion Treasury will do all in its power to facilitate arrangement of such credits. Pending their being arranged the Chancellor of the Exchequer would be glad if the Dominion Government can see their way to advancing such sums as may be necessary to meet current requirements of Munitions Board after week ending August 5th for which week funds can be supplied by the Treasury from New York as in view of heavy demand on our limited dollar resources in New York he is very anxious not to have to draw upon these for the purpose of internal payments in Canada.

The Chancellor of the Exchequer is placing the sum of six million dollars a month at the disposal of the Munitions Board in New York for the purpose of meeting their demands in the United States. Ends.

BONAR LAW

230. *Colonial Secretary to Governor General*

DESPATCH 818 Downing Street, July 31, 1916

Sir,

I have the honour to acknowledge the receipt of Your Royal Highness's despatch No. 358 of the 31st May enclosing a copy of an approved Minute of the Privy Council for Canada relating to the willingness of your Government to co-operate in any enquiry which may be thought desirable to investigate the transactions of the Shell Committee.

2. I should be glad if you would inform your Ministers that His Majesty's Government prefer to leave it to them to decide whether any further enquiry into the work of the Shell Committee is necessary or desirable.

I have etc.

A. Bonar Law

231. *Governor General to His Majesty the King*

Telegram Ottawa, August 4, 1916

In the name of the People and Government of Canada on this second anniversary of the Declaration of War we humbly desire to express once more to your Majesty our determination to spare no effort to maintain the righteous cause for which the whole Empire is fighting and our supreme confidence in its ultimate triumph. Meetings to give expression to this spirit are being held today in every city in this Dominion.

Arthur

232. *His Majesty the King to Governor General*

Telegram London, August 4, 1916

I heartily appreciate the noble services rendered by Canada during the past two years of fierce conflict. Please convey to the people and Government of the Dominion my warmest thanks for the assurances of their determination to carry on the Empire's war to a triumphant [end].

George R.I.

233. *Governor General to Colonial Secretary*

Telegram Ottawa, August 5, 1916

Secret. With reference to your cypher telegram 29th July respecting further credits in Canada for expenses of Imperial Munitions Board, Minister of Finance states that at present it is not possible to arrange in Canada for further credits to provide funds for the Imperial Munitions Board. Minister of Finance has advised repeatedly Imperial Munitions Board that in view of his rapidly increasing war expenditures he could not undertake to make further advances for their Canadian expenditures and the banks have advanced all that they will advance for some months to come, as they have to provide for the financing of the Canadian crops and for the forthcoming domestic war loan. If the liquid situation of the banks from time to time is such that assistance can be afforded as in the past the Minister of Finance will endeavour to arrange further credits to such extent as may be possible, but it must be clearly understood that no definite engagements can be

entered into and the Imperial Treasury, subject only to such partial assistance as from time to time the banks may be able to afford, must assume the obligations of its financing in Canada.

The Canadian Government will require all the funds it can raise for loans in Canada to meet the heavy demands of its rapidly increasing military expenditure here.

ARTHUR

234. *Deputy Minister of Militia and Defence to Prime Minister*

Ottawa, August [n.d.] 1916

Referring to the communication from the Right Honourable Bonar Law to His Royal Highness, the Governor General enclosing the War Office letter from Mr. B. B. Cubitt (L21/ overseas/ 1826 (M.S.I.) concerning appointments and promotions, kindly permit the following:

Para. 2 states:

> Hitherto the promotion of Canadian Officers serving with the Expeditionary Force has been approved in this office and published in the London Gazette when recommended by the General Officer Commanding, Canadian Corps, and concurred in by the General Officer Commanding in Chief and the promotion of Officers serving at home has similarly been approved on the recommendation of the General Officer Commanding at Shorncliffe. This procedure is in accordance with the arrangement laid down in the approved minute of the Privy Council of Canada a copy of which was enclosed in your letter of 8th. October 1915 No. 45889.

When the approved minute of the Privy Council of Canada above referred to was passed—and which has since been cancelled—there was but one division in the field and it was not anticipated that the war would be prolonged. This accounts for the nonadvancement of the principle of the supremacy and constitutional position of Canada in the premises and the lack of uniformity in the system therein authorized.

Para. 4, states:

> It is observed that one of the effects of the new proposals might be that the appointments and promotions recommended as a result of observation of an individual's value in the field would be subjected to the veto of the Governor of the Dominion in Council on the recommendation of the Minister of Militia who would have no first hand cognisance of how an officer had behaved under Active Service conditions.

The expression "veto" in the above paragraph does not seem constitutionally to apply. The authority of the Minister of Militia and Defence and of the Governor of the Dominion in Council are constitutional rights and duties—not "veto".

But, it is observed that it was to avoid these very objections and to ensure that promotions and appointments should be made on an even and meritorious basis, and upon reports of those competent and in a position to judge of the fitness or unfitness of the Officer that the new rule has been established.

Under the former Order in Council it was found that promotions and appointments of senior Officers had been recommended on a basis other than of merit, and by influences other than "first hand cognisance of how an officer had behaved under active service conditions."

Moreover, it is observed that the difference between receiving reports in Canada, on Officers at the front, and receiving them ten or twenty miles in rear of the line is merely a matter of a few days, with the cumulative advantage in favor of Canada, and with a knowledge for years of the character and qualities of those concerned, as against mere staff and other reports based on influences of various kinds, some other than military.

Under the new Order in Council the reports of competent senior officers will have the same consideration and weight as under the former. At the front especially the position will be much more in favour of merit being recognized and of even-handed justice being administered.

Under the new Order in Council an even scale of promotions relatively in Canada, in Britain, and at the front for the Canadian Overseas Force will be possible, and full advantage will be received from the many individual authentic and unbiased reports from officers, non-commissioned officers and men in narratives to their friends in Canada, as well as to the Minister direct.

There is no intention, as a rule, to depart from the usual routine. For the minor positions, the reports will be accepted exactly as now, subject to any specific adverse report, possibly unknown to those at the Front; that is, the Company or Battalion Officers make the recommendations and they pass through the routine channel. The Department of Militia and Defence for Canada is not on record with interference in these.

However, under the former Order in Council there were many irregularities in promotions. For example, junior Officers in England were promoted to be the seniors of their former seniors at the Front; and it is found at the Front that Officers were appointed who were inferior to those over whom they were placed. In short, the promotions of senior Officers were, in several instances, assuredly not based on merit or fitness or as "a result of observation of an individual's value in the field", as was pointed out by the Minister of Militia and Defence for Canada and as sad experience has shown.

Concerning promotions and appointments, the Canadian troops in Britain are regarded by the Department of Militia and Defence in the same light as though they had remained in training camps in Canada. Those at the Front are regarded similarly, excepting with the additional great advantage of consideration by the Commander-in-Chief of the British Forces.

Under the former Order in Council the General Officer commanding Canadians was supreme, and under that rule some unsuitable Officers were promoted to high positions and in opposition to the expressed wishes of the Canadian Minister of Militia and Defence.

The new plan is—there should be, as a rule, no interference with subordinate promotions; but for staff, battalion, brigade, divisional or corps positions, there should be preliminary conference through the General Representative

for Canada at the Front, Colonel Sir Max Aitken, Bart., between the Commander-in-Chief, or the Army, the Corps, the Divisional or the Brigade Commander, as directed by the Commander-in-Chief on the one hand; and the Minister of Militia and Defence for Canada on the other.

Para. 7 states:

> While therefore the Army Council do not withhold their concurrence to the proposed change, they think it prudent to record their opinion that it is not so much in the acceptance of the new regulation itself as in the application thereof that difficulties may arise. Should difficulties occur, it may therefore be necessary to qualify their concurrence by saying that a time may arise when they find this innovation detrimental to efficiency, in which case it may be necessary to reconsider the whole system without prejudice to the procedure now outlined which they are prepared to concur in as a temporary measure.

This refers to the possibility of the Army Council reconsidering the whole system "without prejudice to the procedure now outlined which they are prepared to concur in as a temporary measure."

In this regard it may be observed that it is understood Great Britain furnishes the money for the support of the Belgian Forces, and yet, appointments, promotions, and management of that Force remain under Belgian control.

Canada, on the other hand, provides a large Force—considerably upwards of three hundred and fifty thousand men having been raised—and bears the entire cost of their pay, training, equipment, pensions, etc., yet, in practice according to the desires of some, this Country should be deprived of any superior right in appointments or promotions—which position, of course, is untenable. Canada, under the new Order in Council recognizes, for the time being, that for purposes of command and administration at the Front the Canadian Expeditionary Force is under the direction of the General Officer Commanding-in-Chief the force of which it forms a part. But, as the new Order in Council also provides, for purposes of appointments and promotions, control rests with Canada. The only thing seemingly now necessary to provide is diplomatic procedure in making these selections in the first place, and to this end Canada would be pleased to profit by the experience of Great Britain.

Para. 8, states:

> It should be realized however that, if the gazette notices are withheld pending reference to Canada, a considerable delay will occur in conferring the promotions for which Officers are recommended, and I am to enquire whether the object of the Canadian Government would be met, if, instead of submitting all such questions to Canada, they were submitted to Major-General Carson. It seems possible that he might, at any rate, be empowered to deal with the routine appointments and promotions, the more important ones being forwarded by him to the Canadian Government for final approval. This would tend to obviate some of the delay which will otherwise occur.

Under the former conditions, it is understood the appointments took several weeks to finally go through but the Officers selected acted from the date of their nomination. Thus there would not be more than two or three days' difference in time in any event between the two systems.

Under the new plan, the proposal regarding all appointments and promotions at the Front is that they shall be submitted to Colonel Sir Max Aitken, as the General Representative for Canada, at the Front and be by him taken up with the War Office, while the more important ones should be informally talked over by that Officer with the Commander-in-Chief, or his representative, before any action be taken. In all probability positive agreement could be reached through this informal conference without any hitch whatever.

Regarding promotions, etc., in England, the plan is that these shall be sent through the various corps to General Carson who, with Sir Max Aitken, will consider them; and then both they and those from the Front will be, by the latter Officer, submitted unofficially to the War Office and officially to Canada.

By pursuing this course it appears evident that any possible friction will be reduced to a minimum. The presence of the General Representative at the Front, who will be advised by the Canadian Minister of Militia and Defence without any delay as each important appointment or promotion presents itself, will obviate the possibility of the action proposed in the last paragraph of the letter of Mr. B. B. Cubitt. Hence, the statement therein contained that "it will therefore not be desirable that vacancies should be left over until the concurrence of the Dominion Government has been obtained", cannot be accepted by Canada. The matter of cabling from the Front to the Minister of Militia and Defence, for Canada on the one hand, or to the Secretary of State for War in England on the other being a difference of only a few minutes.

Moreover, the question of appointments to important positions on the staff and in Brigades, Divisions and Corps is one which would especially come under diplomatic considerations between Canada's General Representative at the Front and the Commander-in-Chief, or his representative. These appointments being important and there being many members of the Canadian Force who are well qualified for them, it would be most desirable that the consultation and agreement should take place in the preliminary stages rather than later. However, where all parties are actuated by the supreme welfare of the Empire and by the most honourable and patriotic motives, and where no personal or local interests find place, there should be no trouble in amicably settling any and every possible difference that might arise.

Further, it would be very undesirable that any such appointments should be temporarily filled. It would be a very delicate matter to remove an Officer once he were so appointed. In justice to her own deserving officers, Canada respectfully asserts the Constitutional principle that those appointments shall be controlled by her; and that as she has officers competent to fill any of these appointments with credit, capability and honour, it is essential that such Canadian Officers be given first consideration and that among them selection be made on a basis of merit and fitness.[1]

[E. FISET]

[1] The issues raised by this draft despatch were left in abeyance until the appointment of Sir George Perley as Minister of Overseas Military Forces.

235. *Colonial Secretary to Governor General*

TELEGRAM London, August 11, 1916

SECRET. Owing to the difficulty of obtaining and training sufficient number of aviators for the Royal Naval Air Service and Royal Flying Corps in this country, Army Council enquire whether your Government would be prepared to establish a school of aviation in Canada. No definite proposal can yet be submitted but a scheme has been suggested under which the War Office and Admiralty would pay a sum of say about £250 for each qualified pilot accepted for British forces while both initial cost of establishment and cost of upkeep would be left to your Government. War Office and Admiralty would each provide two instructors at expense of Imperial funds. They would also each appoint a representative in Canada to select pupils to superintend training and to be responsible for carrying out prescribed tests. Capt. Lord Innes-Ker, Royal Horse Guards and Royal Flying Corps, who is proceeding to Canada, could if desired discuss details with your Ministers. Should be glad to learn views of your Ministers.

BONAR LAW

236. *Colonial Secretary to Governor General*

TELEGRAM London, August 12, 1916

SECRET. Your telegram received August 6th. The Chancellor of the Exchequer wishes it to be clearly understood that his telegram of 29th July was not intended to imply that the Dominion Government is under any obligation to finance Imperial Munitions Board but solely as appeal for all possible assistance in situation which is becoming increasingly difficult. Under circumstances explained by the Minister of Finance the Chancellor of the Exchequer will finance Imperial Munitions Board expenditure out of dollar fund in New York for so long as such funds are available since financing from London would necessarily lead to breaking both Canadian and United States exchanges. Chancellor considers it most important that Sir Thomas White should come over and give him the benefit of his advice with regard to the whole situation at the earliest possible moment.

BONAR LAW

237. *Colonial Secretary to Governor General*

DESPATCH 897

Downing Street, August 18, 1916

Sir,

I have the honour to transmit to Your Royal Highness, to be laid before your Ministers, the accompanying copies of correspondence with the High Commissioner for Canada, regarding certain steamships about to be constructed in Canada.

I have etc.

A. BONAR LAW

[ENCLOSURE 1]

Secretary, High Commissioner, to Under-Secretary for Colonies

Sir, London, July 3, 1916

For the information of Mr. Secretary Bonar Law, I beg to quote the following cablegram received from the Prime Minister of Canada:

> Persons proposing to engage in construction of steamships in Canada ask that such steamships be not subject to requisition for eighteen months after completion upon condition that during that time they shall be employed only in trade with British and Allied countries. Without admitting power of British Government to requisition such ships except with our consent we desire to have a clear understanding on the subject. Please consult Admiralty and advise.

The above is submitted for consideration and it is hoped the proposal will receive the concurrence of His Majesty's Government.

I am etc.

W. L. GRIFFITH

[ENCLOSURE 2]

Under-Secretary for Colonies to Secretary, High Commissioner in United Kingdom

Sir, Downing Street, August 16, 1916

With further reference to your letter of the 3rd of July, I am directed by Mr. Secretary Bonar Law to request you to inform the High Commissioner that the Lords Commissioners of the Admiralty state that they are prepared to give the desired assurance that the steamships about to be constructed in Canada will be kept free from requisition for eighteen months after completion on condition that during that time they are employed only in trade with British and Allied countries.

2. This assurance is given on the understanding that the construction of the ships will not involve any demands upon Great Britain for labour, material, or machinery.

I am etc.

HENRY LAMBERT

238. *Colonial Secretary to Governor General*

DESPATCH 902

Sir, Downing Street, August 18, 1916

With reference to my telegram of the 11th instant, I have the honour to request Your Royal Highness to inform your Ministers that pending the settlement of the question of establishing a school of aviation in Canada, the Army Council are anxious to endeavour to obtain a further number of suitable candidates in Canada for the Royal Flying Corps.

2. With this object in view the Council have despatched Captain Lord A. R. Innes-Ker, D.S.O., Royal Horse Guards, a Flight Commander, Royal Flying Corps, to Canada, to select candidates on the spot, under the conditions set forth in the accompanying pamphlet. I trust this arrangement will meet with the approval of your Ministers.

I have etc.

A. Bonar Law

239. *Order in Council*

P.C. 2038 August 28, 1916

The Committee of the Privy Council have had before them a report, dated 9th August, 1916, from the Minister of Finance, stating that, in order to carry on the war expenditures of the Dominion of Canada advances were made from time to time by the Imperial Government to the Dominion, aggregating, on the 30th September, 1915, the sum of £22,000,000. These advances have been carried in the books of the Dominion as temporary loans bearing, under the arrangement with the Imperial Government, the same rate of interest as the loans, out of which the advances were made, cost that Government. Of the sum of £22,000,000 the sum of £2,400,000 was advanced from loans bearing 3½ per cent interest issued at the price of 95, and £19,600,000 from loans bearing 4½ per cent interest issued at 99. On account of the loans having been issued at the respective discounts above referred to the capital amount of the advances to which the 3½ and 4½ per cent rates applied, was increased sufficiently to produce the actual rate of interest payable by the Imperial Government on the bonds of the respective loans. Accordingly, the capital amount of £2,400,000 was increased to £2,526,315.15.9, and the £19,600,000 to £19,797,979.15.3.

At the rates of exchange effective on the dates when the respective advances were made, the capital of the advances amounted, on the 30th September, 1915, to $12,404,678.36 and $95,207,351.17, respectively, in Canadian currency, or $107,612,029.53 in all.

In view of the necessity in which the Imperial Government finds itself of obtaining dollar securities as collateral for bankers' loans in the United States of America, the Minister of Finance has effected an arrangement under which the above temporary indebtedness will be funded and the Canadian Government give to the Imperial Government bonds of the Dominion of Canada bearing the same rates of interest and having the same maturities as the 3½ per cent and 4½ per cent war loans against which the advances are ear-marked,—the Canadian currency value of the sterling debt to be calculated at the rate of exchange current at the time of the advance.

A statement will be found annexed[1] showing the date of the respective advances, the rate of exchange prevailing at such date, the amount of advance, the capitalization at the price of the loan, the currency value at the

[1] Not printed.

rate of exchange, the price of the loan against which the advance was earmarked and the interest rate on the capitalized amount.

The Minister recommends that this arrangement be authorized and carried into effect and that, for the purpose, he be authorized to issue bonds of the Dominion (1) to the amount of $12,404,678.36 repayable on the 1st March, 1928, subject to prior redemption at any time on or after 1st March, 1925, on giving not less than three calendar months' notice in *The Canada Gazette* with interest at the rate of 3½ per cent payable half-yearly on the 1st March and 1st September, and (2) to the amount of $95,207,351.17 repayable on the 1st December, 1945, subject to prior redemption at any time on or after 1st December, 1925, on giving not less than three calendar months' notice in *The Canada Gazette*, with interest at the rate of 4½ per cent payable half-yearly on the 1st December, and 1st June; such securities to be issued in the form annexed hereto.[1]

The Committee concur in the foregoing recommendation and submit the same for approval.

240. *Governor General to Colonial Secretary*

SECRET DESPATCH

Ottawa, August 30, 1916

Sir,

With reference to your secret telegram of the 11th instant regarding the suggested establishment of an Aviation School in Canada, I have the honour to inform you that the Departments of Militia and Defence and of the Naval Service are prepared to give favourable consideration to any scheme submitted in this regard and opportunity will be taken of Lord Innes-Ker's visit to Canada to discuss details with him.

I have etc.

ARTHUR

241. *Governor General to Colonial Secretary*

TELEGRAM

Ottawa, August 31, 1916

CONFIDENTIAL. My confidential despatch 16th June. My advisers would be glad if His Majesty's Government could intimate to the Russian Government the desirability of appointing a special Commissioner in Canada for the purchase of munitions of war independent of the Russian Commission in New York. At present the Russian Government have purchasing agency in the United States but not in Canada. This operates to disadvantage of Canadian manufacturers who desire more appropriate channel for tendering to supply a portion at least of shells and other munitions needed by Russian Government. My advisers suggest that Commissioner if appointed should be associated with the Imperial Munitions Board and sit jointly with that Board for purposes of Russian business in Canada.

ARTHUR

[1] Not printed.

242. *Deputy Minister of Justice to Prime Minister*

CONFIDENTIAL September 18, 1916

LEGAL STATUS OF THE CANADIAN EXPEDITIONARY FORCE[1]

. . . The expenditures for the force, both in Canada, in the United Kingdom and at the seat of war, must be appropriated by Parliament and paid by the authority of the Governor in Council, subject to the provisions of the Militia Act and the Consolidated Revenue and Audit Act.

As to appointments and promotions, and the dismissing of officers and soldiers, these powers are vested solely in the Crown, exercisable in the case under consideration by the Governor General of Canada upon the advice of his Council.

As to command, all military power must be based upon and emanate from the civil power; the commands of the Sovereign to the army can only be conveyed to the Commander in Chief through the channel of responsible ministers, and the army is thus brought into accord with the civil institutions. But in this particular when the Canadian forces come into active service conjointly with His Majesty's regular forces His Majesty may consistently with the provisions of the Militia Act, Section 72, and of the Army Act, place in command a senior general officer of His Majesty's regular army, and this must necessarily be done, for it is essential to have an undivided command.

Perhaps except for the fact that the theatre of war is so remote from Canada, and the delays or misunderstanding incident to the transmission of messages at such a distance so great, it would not be found necessary to devise any means other than those already established by law for the purpose of working out these constitutional principles in their application to the Canadian force. Doubtless since the command of the force rests ultimately with the King, and is exercised at the front by the General Officer Commanding, it may seem expedient and perhaps essential to the proper exercise of this command, that the more important general officers, such as officers commanding army corps or divisions should be named by His Majesty's Government as being the principal agencies through which effect must be given to the commands which are to regulate the general operations of the force. Apart from such dispositions as may result from considerations which point to the desirability of mutual reliance and confidence as between the general officers directing operations, it would seem that all appointments and promotions in the Canadian force should be sanctioned by the executive authority of Canada. It transpires, as would naturally be anticipated, that, when the Overseas force and the expenditure and business incident thereto attain their present magnitude, some provisions should be made to bring the Government of the country more immediately into touch with the theatre of actual operations. The War Measures Act affords a means of

[1] Concluding section of a lengthy memorandum.

accomplishing this, and moreover, of modifying the law or of enacting any legislative provisions which may be necessary to provide for the very special situation which has arisen.

Details affecting matters of discipline should perhaps be suggested and considered in consultation with the military advisers of the Government, but if I may venture to suggest, I should think that the executive or administrative requirements of the case would be best satisfied by the establishment of a Canadian Ministry of War in London charged with the administration of the Overseas forces, to be held by a member of this Cabinet, assisted if thought advisable by a council of competent experts, whose advice would be considered by the Minister in submitting his recommendations to the Governor General in Council for approval. This would, in my humble suggestion, afford the most satisfactory means which can be devised for exercising the authority of this Government with despatch and in harmony with the policy of the administration; and it would moreover provide a ready agency of communication as between His Majesty's Government and the Government of Canada by which the joint service could be articulated.

E. L. NEWCOMBE

243. *Colonial Secretary to Governor General*

TELEGRAM London, September 19, 1916

SECRET. With reference to your cypher telegrams August 31st, and September 6th, and to your confidential despatch of June 16th, Minister of Munitions fully concurs as to advantages of the appointment of Russian Purchasing Commission in Canada acting with and through Imperial Munitions Board and considers Commission would be specially useful as regards purchase of railway material. Respecting shells Minister states as regards 60 pounders and upwards Canadian capacity may be considered fully occupied at present but there are certain factories whose output will probably not be required on completion of present contracts early in 1917 and which would then be available for making Russian shells. As regards shells of smaller calibre Russian requirements are at present covered. Question also arises whether supplies of steel would be available for Russian shells. Respecting this am informed by Minister Munitions subject to the above that if your Ministers can assure him that necessary supplies of steel from the United States would be forthcoming he would support their request that Russian Government should place orders for shells in Canada. Before approaching Russian Government will await your reply.

BONAR LAW

244. *Colonial Secretary to Governor General*

TELEGRAM London, September 20, 1916

SECRET. We believe it essential to represent to the Government of the United States the grave effect of any retaliatory measures like those author-

ized by Congress[1] not only on our blockade and the successful prosecution by the Allies of the War but also on the future relations between the United States and the Allies. If as we believe cordial relations with the Dominion of Canada are one of the chief [aims] of the United States Government, we believe that an intimation to the President of the lamentable effect of such measures on Canadian opinion might have great influence. We would suggest that the Prime Minister should communicate with the Ambassador in the form which Sir Cecil Spring Rice and himself may agree to be best adapted for the purpose.

BONAR LAW

245. *Colonial Secretary to Governor General*

TELEGRAM London, September 21, 1916

While H.M.'s Government feel necessity of finding openings at home for the largest possible number of ex-service men I feel sure that there will be some emigration and in these circumstances I think that time has arrived for taking practical steps for dealing with emigration problems that will arise after the war. H.M.'s Government regard it as of the first importance to the Empire that ex-soldiers who desire to emigrate shall be retained within it and not be allowed to drift abroad from want of guidance and knowledge of the opportunity available to them in the Dominions. We think it will be necessary to set up some central body on which each Dominion shall be represented to formulate plans and co-ordinate efforts. If your Government concur it will be doubtless also agreed that nothing useful can be done unless such body is in a position to supply full and detailed statements which will give intending emigrants all particulars as regards amount and quality of land offered for settlement size of holdings extent of Government assistance, etc. and also openings for employment if any offered by Government. I gather from ministerial statements to Haggard that there is general desire throughout dominions to co-operate in this but that in most cases no concrete proposals have been yet formulated by Ministers and that in no cases have details such as mentioned above been fully settled. We earnestly trust that your Ministers may be willing to apply themselves to this question forthwith and let me know with the least possible delay what they and their legislature are prepared to do. It is obvious first that time will be required for local consideration secondly that on the nature of the replies will depend action to be taken by H.M.'s Government in the way of co-operation and assistance thirdly that much organization will be required if successful results are to be obtained. I am therefore warranted in pressing matter on Ministers as one of urgency. When they are in a position to return definite replies they will doubtless also say whom they nominate as their representative on the central body. Similar telegram addressed to other Dominions.

BONAR LAW

[1] Publication of the British confidential Black List led to the passage by Congress of the Shipping Board Act (September 7, 1916) and the Revenue Act (September 8, 1916), both of which granted retaliatory powers to the President.

246. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, September 22, 1916

SECRET. Your secret cable yesterday respecting retaliatory measures proposed by United States my advisers will of course co-operate with His Majesty's Government in every step that may become necessary to assert undoubted rights. They are not convinced that such communication from them as is proposed would be either useful or expedient. They are not inclined to believe that the powers conferred upon the President are likely to be exercised but they realize that political exigencies during a presidential campaign are fraught with serious possibilities. If such exigencies should lead to so extraordinary and grave a step as the proposed retaliation my advisers are unable to believe that the consideration of good relations with this Dominion would deter the United States Government from any such course. Moreover that Government must already thoroughly understand that any attempt to interfere with recognized rights of a belligerent would be as strongly resented in Canada as in any other part of the Empire. There is the further consideration that if political exigencies already referred to should lead to the course apprehended any communication from this Government might be put to unfortunate and serious use in the heat of an election campaign which will daily grow in intensity.

ARTHUR

247. *Acting High Commissioner to Prime Minister*

TELEGRAM London, October 4, 1916

For White. Communicated to Treasury establishment credit fifty million dollars for Imperial Munitions Board as advised your cablegram 27th ultimo. They request me inform you their appreciation action Dominion Government.

248. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH

Sir, Downing Street, October 4, 1916

With reference to previous correspondence respecting the despatch of flying squadrons from Canada to be placed at the disposal of the Imperial Government, I have the honour to transmit to Your Royal Highness, to be laid before your Ministers, a copy of a letter on the subject which has been addressed by the Army Council to Sir Sam Hughes.

I have etc.

A. BONAR LAW

[ENCLOSURE]

Army Council to Minister of Militia and Defence

September 8, 1916

Sir,

In connection with the offer of the Dominion Governments to raise certain Royal Flying Corps Squadrons and place them at the disposal of the Imperial Government, I am commanded by the Army Council to bring before your notice the fact that, in order to effect the resultant adjustment in the contemplated programme of expansion of the Royal Flying Corps, it is desirable that notification should be given as to the total number of Squadrons, Service and Reserve, which the Dominions might be able and willing so to raise.

In this respect I am to acquaint you with the following stipulations and conditions, which, in view of their importance and more or less unavoidable character, it is hoped the Dominion Governments will see their way to accept, viz:

(*a*) That for each two Service Squadrons, one Reserve Squadron should be provided for training purposes, and for the replacement of wastage of personnel.

(*b*) That the Army Council should be granted the privilege of reserving to itself all rights in connection with the promotion to Squadron and Wing Command, and that, in those cases where a Colonial Officer is not available or suitable for such promotion, the vacancy may be filled by an Imperial Officer.

(*c*) That, where the training is carried out locally the Dominions should be self-supporting as regards machine and engine equipment, although the resources of the Royal Flying Corps will be available when the training of the personnel is undertaken in the United Kingdom. The Mobilisation Equipment for Service Squadrons would, however, be supplied by the Imperial Government through this office.

(*d*) That, whenever practicable, the Service Squadrons, when ready, should be so stationed in France, or elsewhere as to co-operate with their own troops.

(*e*) That the wastage in personnel should, subject to sub-para. (*b*) be replaced from Dominion sources, and trained in the Reserve Squadrons provided by the Dominions.

I am to add that, as regards the financial aspect of these proposals, it is thought that these may, perhaps, be settled at a later date, and the foregoing suggestions are put forward for immediate consideration in order that the scheme may not be delayed pending financial discussion.

I am etc.

B. B. CUBITT

249. *Colonial Secretary to Governor General*

TELEGRAM London, October 5, 1916

SECRET. With reference to your telegram 22nd September, my telegram of 20th September was only intended to propose some informal and private intimation from Sir Robert Borden of kind which could not be used in any way for election purposes. His Majesty's Government are content to leave the question of making such intimation to be settled in consultation between your Government and His Majesty's Ambassador at Washington as development of circumstances may demand.

BONAR LAW

250. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, October 13, 1916

Your cable seventh September and Lambert's letter to you 26th August touching building of ships for neutrals. In the early months of the war we pointed out to British Government facilities in Canada on Atlantic, Great Lakes and Pacific for building submarines or other craft required for war purposes. Notwithstanding this, contracts for submarines and afterwards for patrol boats were placed in United States. Hazen informs me that Canadian shipyards having failed to secure orders for British mercantile marine have firm offers to build several ships for Norwegians. This is good opportunity to start important steel shipbuilding industry at different points. We would prefer to reserve Canadian yards as suggested by Colonial Office but unless definite offers are immediately forthcoming we do not think permission to build and export should be withheld. The only result of withholding permission would be to keep idle shipyards in many parts of the country where industrial conditions as for example in British Columbia are considerably depressed. Please communicate in this sense with the Colonial Office.

BORDEN

251. *Prime Minister to Acting High Commissioner in United Kingdom*

CONFIDENTIAL

Dear Sir George Perley, Ottawa, October 28, 1916

In view of the acute conditions in the shipping trade arising from the war and of the great importance of the subject to this Dominion I think it well to review somewhat at length our general position with regard to the manner in which the British Government has exercised its requisitioning power. I refer only to the effect of this on the local or coasting trade of Canada. The tendency on the part of shippers and shipping companies here,

not to speak of party criticisms, has been as you know to hold this Government responsible both for the situation that has arisen and for providing a remedy, and this in spite of the fact that the British Government alone has been responsible for the exercise of this power and that we have had no voice whatever in shaping the policy nor any real means of influencing even that part of it which peculiarly affects Canada. Indeed, in any practical sense we have not even been consulted. We have, it is true, from time to time made representations; these have been received and in some cases our suggestions have been adopted; but as for the recognition of any principle that this Government should be consulted before decision or action, it is entirely within the mark to say that no such principle has been accepted.

And yet this is a matter in which Canada is vitally concerned not merely as it affects her economic position and resources in her own immediate interest but for its bearing on her power to make those resources effectively subserve the purposes of the war and her participation in it. I need recall only a few of the more important instances to illustrate the unfortunate effect of action taken without consultation. One of the most conspicuous cases has been that of the Dominion Steel Corporation, which it should be stated is the holding company of the Dominion Iron and Steel Company and the Dominion Coal Company. This concern is the largest operator in the steel and coal trade in Canada. The industrial activities and transportation interests of Eastern Canada and the St. Lawrence area, (not to speak of domestic needs), as well as the shipping activities of the Canadian Atlantic coast—war ships, transports and commercial vessels—must depend very largely on this company for their Canadian coal supply; while the ordinary steel using plants as well as the great munitions industries that have grown up in Canada must rely on it very largely for their supply of raw material in the shape of steel. In short, if it is thought wise to devote the resources of Canada in these two essential or key industries to the purposes of the war the success of the policy will depend very largely on the production of this Company. And the situation that confronts us today is that because of the serious impairment of the Company's fleet Canadian industries and Canadian munition makers have been compelled to go to the United States for these raw materials which otherwise could have been available here.

The same observations apply in relative degree to the Nova Scotia Steel Company, another important steel and coal producer.

Another instance, more recent, was that of the proposal to requisition the *Stephano* and *Florizel*. These boats were plying on a line which had served for thirty years the trade between Halifax, St. John's, Newfoundland, and New York. Very heavy shipping commitments had been undertaken by this line at Halifax in both directions and it would have been impossible to preserve this important Canadian trade as no other suitable tonnage was available.

I have said enough to indicate how vital the matter is. And yet in all these cases the Admiralty without any consultation with us have felt themselves competent and have taken it on themselves at such a distance to judge of the

conflicting needs and interests involved. I recall of course that in the cases of the *Newona* and *Honoreva* dealt with in your cables of July 22nd and 28th, and possibly in other similar instances, the Admiralty did ask our opinion before proceeding with their proposal to requisition these ships. The reason for this consultation was expressly attributed to the fact that the ships were of Canadian registry. But that is not enough. It should be clearly recognized, whatever the registry of the ships concerned, if they are regularly engaged by charter or otherwise in what may be distinguished as the local or coasting trade of Canada no action disturbing them should ever be initiated by the Admiralty without consulting us or carried out without our consent.

I appreciate of course the Admiralty's assurances that every effort is made to meet Canadian needs; but as these assurances are invariably joined with an admonition that Imperial requirements or the requirements of the war must be paramount and that shipping interests in England have also had to suffer for this cause, I am bound to point out that these assurances are beside the point. This attitude discloses a fundamental misconception. No one questions that the needs of the war must be the primary consideration or that English shippers have had to undergo severe inconvenience. Indeed the whole point is that, as I have already explained, our concern in the matter is primarily for the needs of the war and for the effective employment of Canadian resources to that end, and further that there has been no adequate effort towards securing that this consideration should be properly and intelligently represented and taken into account in arriving at decisions. And while English shippers and shipping have been subjected to regulation, yet the needs of the various industries directly and indirectly affected are always so represented that the Admiralty possesses an adequate knowledge of actual conditions. We know for instance that the preservation of English coal mines may be one factor in a given decision. We know that special efforts and provision were made for maintaining the shipping trade with Italy particularly in respect of the carriage of coal. In all such matters the body or committee controlling shipping must of necessity consult with some department or other body—it may be the Board of Trade, the Ministry of Munitions, or it may perhaps be a special committee representing directly a particular industry or interest—in order that the various conflicting considerations may be properly weighed. Upon what principle is it claimed that the Canadian Government should not be recognized in considering Canadian needs and conditions?

I do not think it can fairly be said that just recognition has been accorded; indeed the Admiralty officials have sometimes adopted towards our representations an attitude of suspicion and arbitrariness that might perhaps be appropriate in dealing with a private firm but is scarcely to be expected or tolerated by the Government of one of the Dominions of the Empire. Such difficulties no doubt largely arise from the present anomalous constitutional organization (or lack of it) of the Empire. While this condition remains they cannot be entirely overcome but in this instance some approach to a solution and some effort to make the position accord with the realities would seem possible and ought to be made. It should be clearly recognized that no action

disturbing the Canadian local or coasting trade ought to be initiated by the Admiralty without consultation with us and no such proposal ought to be carried out without our consent.

Yours faithfully,

ROBERT L. BORDEN

252. *Order in Council*

P.C. 2651 October 28, 1916

The Committee of the Privy Council have had before them a Report, dated 26th October, 1916, from the Right Honourable the Prime Minister, submitting that he has had under consideration the subject of the administration of the overseas forces of Canada, and the direction and control of the expenditure abroad in connection therewith.

The Prime Minister states that in view of the unexpected length of the war and the unprecedented efforts which are being exerted by Canada in common with the rest of the Empire for the defence of His Majesty's Dominions, and which it is unnecessary here to recapitulate, it is apparent that adequate measures should be taken to provide for the situation which has arisen and is developing. Moreover, the expenditure necessarily involved in the organization, maintenance, equipment and direction Overseas of these forces, is very great, and there is especial reason for using every effort to assure not only the highest degree of efficiency and the most thorough and prompt co-operation of the Overseas forces of Canada with those of the Mother Country, and of the other Dominions of the Empire, but also the most economical and careful administration of the means which are appropriated for the purpose.

The Prime Minister is informed that before the 1st November, 1916, the forces despatched by Canada for overseas service in Europe will number not less than 256,000.

Enlistment is proceeding; there are large forces in training in Canada which will be despatched as soon as they are prepared, and the responsibility connected with the raising, equipment, training, outfitting and transporting of these troops is in itself so great that it seems advisable to relieve the Department of Militia and Defence of the administration of the forces overseas and to establish a ministry in London, immediately in touch with His Majesty's Government and conveniently situated with relation to the theatre of effective operations, to be charged with the administration of the military affairs Overseas for which Your Excellency's Government is responsible as well as the expenditure connected with those affairs and the negotiations and arrangements incident to that branch of the service.

For these reasons, the Prime Minister recommends for the sanction of Your Excellency—in the execution of the powers conferred by the War Measures Act—the draft regulations or ordinance herewith submitted.

The Committee concur in the foregoing and submit the same for approval.

[ANNEX]

Ordinance for the Constitution of the Ministry of Overseas Military Forces of Canada

1. There shall be, so long as the present European war continues, and thereafter until otherwise directed by the Governor in Council, a Minister of Overseas Military Forces of Canada, who shall be charged with the control of and shall be responsible for the administration of the affairs of the military forces of Canada in the United Kingdom and on the Continent of Europe; the ordnance, arms, ammunition, armouries, stores, munitions and habiliments of war belonging to Canada in the United Kingdom and on the Continent of Europe appropriated for the use of the Overseas military forces of Canada and all expenditure incurred in the United Kingdom or elsewhere in Europe for or in respect of the Overseas military forces of Canada; the aforesaid powers and duties of the administration to include without limiting their generality, all powers and duties in connection with the troops, property and expenditure aforesaid heretofore exercised by or charged upon the Minister of Militia and Defence.

2. The Minister shall for the convenience of administration, and in order to expedite the transaction of the business with which he is charged, ordinarily reside and discharge his duties in London, and in urgent matters of importance which would generally be subject to consideration, and direction, upon the Minister's report, by the Governor in Council, the Minister may, if the time or means for communication do not admit of antecedent authority from the Governor in Council, sanction provisionally such measures as may seem to him advisable, subject, however, to report and the confirmation of the Minister's action by the Governor in Council.

3. The Minister shall moreover be charged with the negotiations on the part of the Government of Canada, as occasion may require, with His Majesty's Government, in all matters connected with the government command and disposition of the overseas forces of Canada, and such arrangements as may be advisable for co-ordinating their operations and services with those of His Majesty's troops, and generally for the purpose of utilizing the Overseas forces of Canada in the most effective manner for the purposes of the war.

4. The Minister shall moreover execute such further powers and perform such other duties as may be from time to time conferred upon or assigned to him by the Governor in Council.

5. The Minister may for the purposes aforesaid establish such organization as may be found necessary and adequate, and he may, subject to the approval of the Governor in Council, appoint such officers and clerks to assist in the work of his Ministry as he deems necessary, with such grades

in the Civil Service of Canada as may be prescribed, and such officers and clerks shall not be subject to examination under the Civil Service Act.

6. There may be an advisory council, consisting of such members as the Governor in Council may appoint, to advise the Minister as to matters relating to the affairs and property hereby committed to his administration.

7. All recommendations of the Minister for submission to the Governor in Council shall be transmitted through the President of the Privy Council.

8. Until Parliament otherwise provides the Minister shall hold his office, commission or employment without any salary, fees, wages, allowances, emolument or other profit of any kind attached thereto.

9. The expression "Minister" shall, for the purposes of this ordinance, if there be nothing repugnant in the subject matter or context, mean the Minister of Overseas Military Forces of Canada.

253. *Order in Council*

P.C. 2656 October 31, 1916

The Committee of the Privy Council, on the recommendation of the Right Honourable Sir Robert Laird Borden, the Prime Minister, advise that, pursuant to the provisions of the Ordinance of His Excellency the Administrator in Council of the 28th day of October, 1916, Honourable Sir George Halsey Perley be appointed Minister of Overseas Military Forces from Canada in the United Kingdom, to exercise the functions and perform the duties of the said office as set out in the said Ordinance.

254. *Minister of Overseas Military Forces to Prime Minister*

TELEGRAM London, November 10, 1916

Regarding Fifth Division. Have seen Sir William Robertson[1] and explained situation. Out of one hundred twenty thousand now in England forty thousand sick, wounded and for various reasons unfit. This number will no doubt be increased when battalions just arrived have been medically examined as large percentage unfit appear to be coming over with some of them. Some seventeen thousand reinforcements are now urgently required in France and I think it our first duty to keep our present Divisions up to strength. It seems that we could hardly supply reinforcements for five divisions. Robertson says would of course prefer four Divisions well supplied with reinforcements rather than five under strength. On average ten per cent are needed each month for reinforcements thus requiring about one hundred twenty thousand per annum for five divisions or nearly one hundred thousand for four divisions. Have decided make drafts for immediate requirements from bat-

[1] Chief of the Imperial General Staff, 1916-1918.

talions set aside for fifth division. Robertson concurs in wisdom this course although he would naturally like have as many divisions as possible at front. In this way we leave question fifth division in abeyance temporarily but my feeling is that four are all we can keep up to full strength in creditable manner and find members Acting Council have same opinion.

PERLEY

255. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, November 11, 1916

SECRET. Admiralty urge importance of increasing number of armed patrol vessels in view of activity of German submarines in North Atlantic. Present twelve vessels insufficient to provide reasonable means of defence against serious attack on trade in Newfoundland and Canadian waters. In the opinion of the Admiralty suitable patrol for these waters should comprise about thirty-six steam vessels and if desired Admiralty would be prepared to lend an officer experienced in patrol work to advise the Newfoundland and Canadian Governments as regards procuring and organizing vessels. Repeat to Governor of Newfoundland. Despatch follows by mail.

BONAR LAW

256. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, November 19, 1916

SECRET. Your cypher telegram of November 11th. It is noted by Canadian Government that the Admiralty consider that twelve vessels are insufficient to meet serious attack by submarines and that it is considered necessary to have thirty-six vessels. Canadian Government regret that these vessels are not available in consequence in the first place of all trained seamen having been sent to England and in the second place in view of the fact that recruiting is still active for men to serve overseas in the Royal Navy. It is further pointed out by Canadian Government that Admiralty discouraged the idea of building destroyers earlier in the year and in addition that the War Office have recently been allowed to purchase or charter in Canada vessels which might have been useful for patrol work irrespective of the fact that number of such vessels is strictly limited in Canada. In view of the above Canadian Government consider that adequate protection should be accorded by the Admiralty.

DEVONSHIRE

257. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, November 20, 1916

SECRET. Referring to your telegram November 10th. As regards Canadian vessels Canadian Government inform me that as a matter of principle they

cannot acquiesce in the exercise of the requisitioning power by independent action of His Majesty's Government nor otherwise than by or through Canadian Government.

DEVONSHIRE

258. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, November 24, 1916

Following from Prime Minister for you: Your message 15th instant[1] respecting construction of ships reached me today upon return from New York. Owing to previous delay we found it necessary to grant permits for exportation of nineteen vessels in all as otherwise the work would probably have gone to United States and our workmen would have followed it. Minister Marine is in negotiation with persons concerned for purpose of effecting if possible, arrangements suggested in your telegram but I am not confident that his efforts will be successful. Canadian ship-owning Companies have informed Minister that their reason for not engaging in shipbuilding is the probability that ships when constructed would be requisitioned by Canadian Government upon the request of Admiralty and we have informed them that any such request if made would be favourably entertained by us unless there were very grave and exceptional reasons to the contrary. Ship-owners further say that rates at which ships are taken on requisition by Admiralty are not sufficiently attractive to justify them in building ships at present excessive cost having regard to the danger from submarines, etc. You may be assured that we shall do everything in our power consistently with the general interest to aid in carrying out the views of His Majesty's Government.

DEVONSHIRE

259. *Colonial Secretary to Governor General*

TELEGRAM London, November 29, 1916

SECRET. So vital is the need of merchant vessels that any available output in Canada ought to be secured for Empire. If your Government is not prepared to purchase ships for themselves we should be inclined to purchase them for ourselves.

Please supply us with an estimate of tonnage which could be built and if necessary we will send a representative to deal with shipbuilders.

BONAR LAW

[1] This concerned the construction in Canada of ships for Norwegians (see Document 250) at a cost higher than the British themselves wished to pay. The British Government did not object, but asked that the ships should be chartered to the Government of Canada or a firm acting on its behalf for the duration of the war.

260. *Minister of Overseas Military Forces to War Office*

Sir, London, December 4, 1916

I write to advise you that on the 5th inst., the present Acting Headquarters Organization of the Canadian Expeditionary Force will be discontinued. It is proposed to put into effect on that date an Organization composed of a General Officer Commanding Canadian Forces in the British Isles, with a Staff consisting of a General Staff, Adjutant General's Staff and a Quartermaster General's Staff.

The matters and duties pertaining to the Offices above-mentioned are those which ordinarily pertain to such Offices under British Formations, with such modifications as I may find necessary to meet the special circumstances of the Canadian Expeditionary Force. It is desired that the channel of communication with the War Office regarding these matters and duties shall be through the General Officer Commanding, who may delegate to the senior General Staff Officer, the Adjutant General and the Quartermaster General, authority to correspond direct with the War Office, on all subjects of administration which do not involve questions of principles or policy. . . .

It will be much appreciated if the information contained in this letter be circulated to the Branches and Departments of the War Office concerned.

[GEORGE H. PERLEY]

261. *Minister of Overseas Military Forces to Prime Minister*

Dear Sir Robert Borden, London, December 7, 1916

With reference to your letter of the 28th October reviewing the Canadian position in regard to the manner in which the British Government has exercised its power in requisitioning ships, at my request an interview was arranged with the Director of Transports at which the subject was fully discussed.

Mr. Hector McInnes was present and the case of the Dominion Steel Corporation was pressed as typical of the injury done not only to a Canadian Company but to Canadian national interests through the withdrawal from the Company's service of vessels engaged in carrying coal which was absolutely necessary for the public supply, and material for the manufacture of munitions which were essential to the successful prosecution of the War.

The various points taken in your letter were put forward, and the principle of consultation was pressed. Mr. Graeme Thompson's reply was that they were quite willing to have, and indeed would welcome on the Transport Advisory Committee, a representative with special knowledge of Canadian shipping, and that in fact they had asked us to nominate such a man to strengthen that body. I cabled you to that effect on the 6th March, and informed you that in response to their invitation to name an individual who would be satisfactory to us, I had suggested Mr. Hugh Allan. No reply was received to my request for your views in regard to this.

Mr. Hector McInnes has left for home and he told me he would take an early opportunity of seeing you in regard to the position as he now understands it, and I will refrain from further action until I hear from you again.

Yours very truly,

GEORGE H. PERLEY

262. *Colonial Secretary to Governor General*

TELEGRAM London, December 9, 1916

SECRET. Requisitioning of vessels registered in Canada. With reference to your telegram of 20th November, question raised is of considerable importance and His Majesty's Government are reluctant to express final opinion on the same without fullest consideration especially as regards application of principle generally to ships registered in oversea Dominions.

In the meantime however the Admiralty are willing to give assurance—without prejudice to any arrangement which may later be made—that they will not requisition any vessel now on Canadian register without first consulting your Government. Trust this will be agreeable to Canadian Government.

BONAR LAW

263. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, December 14, 1916

SECRET. In connection with the re-construction of the Government here your Government will have learned that a small Cabinet of five has been set up. This has been deemed essential for the more vigorous prosecution of the War. To avoid any possible misconception of the position His Majesty's Government are anxious that Canadian Government should know that absence of Colonial Secretary from the Cabinet will not in any way affect Dominions prejudicially and that their wishes and interests will certainly receive no less full consideration than in the past.

His Majesty's Government further feel that fuller information should be given of the progress of events and of war policy than may have been possible hitherto and I think the most convenient way will be that I should send you a weekly letter for the personal and confidential information of yourself and your Prime Minister; in this letter I will endeavour to summarize the main points of interest as they arise.

Unfortunately the Prime Minister is ill and cannot make intended declaration of Government policy until next week. When it is made I feel sure you will find that it contains fullest recognition for status of Dominions.

LONG

264. *Governor General to Colonial Secretary*

TELEGRAM Montreal, December 15, 1916

SECRET. With reference to my telegrams of 19th November and 9th December, Canadian Government very anxious for answer respecting provision of adequate protection for vessels frequenting Canadian ports. Government of Canada would like Admiralty to specify what type of vessel, with general dimensions speed and armament, they consider most suitable for work on Atlantic patrol. It should be remembered that all available guns at the request of Admiralty have been sent to England.

Canadian Government will gladly avail themselves of the Admiralty's offer to lend them an officer experienced in patrol work.

DEVONSHIRE

265. *Minister of Overseas Military Forces to Prime Minister*

TELEGRAM London, December 19, 1916

CONFIDENTIAL. For Kemp. For purpose deciding regarding 5th Division would like right away as close an estimate as possible number troops you will be able provide from Canada during next 3 months, during following three months and during 3 months beginning Dominion Day. Had almost decided would be best not send 5th Division to front but Sir William Robertson most anxious have it sent over in February for active service in May. Thinks it may be specially useful then and thinks it pity these troops should be kept here without being used after they are thoroughly trained. I should regret exceedingly send so many to France that we cannot keep them always provided with reinforcements but would like do everything possible assist Robertson. Please consider and cable reply soon as you can.

PERLEY

266. *Colonial Secretary to Governor General*

TELEGRAM London, December 19, 1916

Following for your Prime Minister from Prime Minister: On taking up the high office with which His Majesty has charged me I send to you on behalf of the people of the Old Country a message to our brothers beyond the Seas. There is no faltering in our determination that the sacrifices which we and you have made and have still to make shall not be in vain and that the fight which we are waging together for humanity and civilization shall be fought to a triumphant issue. We realize that we shall still need every man that we can put in the field, every pound that rigid private and public economy can provide and every effort which a united people can put forth

to help in the heavy task of our soldiers and sailors. The splendid contributions to the common cause already made by the Dominions give me sure confidence that their determination is no less high than ours and that however long the path to final victory we shall tread it side by side. LLOYD GEORGE.

Prime Minister sending identical message to the other self-governing Dominions.

LONG

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267. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, December 20, 1916

Following from my Prime Minister for your Prime Minister. On behalf of Canadian people I send to our kinsmen of Motherland assurance that our hearts are as undaunted and our determination as resolute as when we ranged ourselves in Empire's battle line two years ago. All our sacrifices would be worse than useless unless purpose for which this was undertaken is achieved in such victory as assures the future peace of the world. Your message reached me in the Western Provinces of Canada while engaged in commending and supporting proposals for better organization of our National Service and for more effectual utilization of our natural resources from Atlantic to Pacific. I have found everywhere the strongest determination that both the human energy and the national resources of this Dominion shall be utilized to such purpose as will throw the full strength of Canada into the struggle. At Regina and at Brandon I read your words to two great gatherings and the response which they evoked was splendid and inspiring. We shall indeed tread the path side by side in full realization that the sacrifice, however great, is for a cause transcending even the interests and the destiny of our Empire and in supreme confidence that this path alone can lead to the ultimate triumph of democracy, liberty and civilization.

DEVONSHIRE

268. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, December 30, 1916

SECRET. My advisers desire to call attention to the telegram from Admiralty through the Colonial Secretary, of 11th November last and to their reply of 19th November as well as their further cables to Colonial Secretary of 9th and 15th December to none of which any reply has been received. In May last Minister of Naval Service suggested to Admiralty advisability of his Department constructing three torpedo boat destroyers at Canadian Vickers yards but Admiralty's reply was regarded as discouraging the proposal. In early months of the war my advisers requested advice from Admiralty as to advisability of Canada undertaking to supplement naval defence of Empire and reply received indicated Admiralty view that such

action was unnecessary and that Canada's efforts should be concentrated on provision of military forces. Under these circumstances the Admiralty's intimation that we must provide against danger of submarines on our coast is very serious especially as many boats suitable for patrol work were acquired by War Office in Canada in September last and the recruiting for overseas forces in Canada has denuded this country of most suitable men for such purpose, and every available gun has been sent to the British Government. My advisers would be grateful for immediate reply to unanswered telegrams above mentioned and for a precise statement of the Admiralty's ability to provide against danger of submarines on our coast. If responsibility for protection of our coast against submarines must be undertaken by Canadian Government immediate action is imperative and it is absolutely essential that the officer asked for in despatch of 15th December should be sent immediately. In this connection my advisers have under consideration suggestion from Imperial Munitions Board with respect to construction of self-trimming colliers and other cargo boats for British Government. Chairman of Board is sending concurrent despatch in which suggestion is made that Canadian Government might take over vessels now under construction for Norwegian owners in Canadian shipyards. Orders in Council authorizing exportation of these vessels have already been passed under circumstances of which British Government is informed. My advisers would not hesitate, however, to take suggested action upon following conditions. First, that His Majesty's Government should make formal request for such action stating that the necessities of the situation demand it. Second, that His Majesty's Government would assume the responsibility of any international complications with Norwegian Government which might ensue, and would so state to my advisers. It should, however, be borne in mind that if Admiralty is unable to afford protection against danger of submarines on our coast Canadian Government may find it necessary to take over all available shipyards for the purpose of making necessary provision against that peril. In conclusion my advisers hope that having regard to all the considerations above set forth the Admiralty will make a clear and precise statement of the situation as they regard it accompanied with such recommendations to my Government as will permit of necessary action being taken without a moment's unnecessary delay.

DEVONSHIRE

269. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, January 4, 1917

SECRET. Royal Flying Corps. In view of proposed establishment in Canada of 20 Reserve Squadrons of Royal Flying Corps party of 3 officers and 24 men to enlist air mechanics are being sent out early this month by War Office. Number to be enlisted is 2,800.

LONG

270. *Minister of Militia and Defence to Prime Minister*

PRIVATE
Dear Sir Robert Borden, Ottawa, January 15, 1917

Formation of 5th Division—C.E.F.

Attached hereto is copy of a letter I sent you on December 22nd, 1916.[1] The Chief of the General Staff has handed me copy of a cable, which I attach hereto,[1] dated London, January 13th, which seems to indicate that a 5th Division is being formed in Great Britain to proceed to France.

Upon further consultation I am of the opinion that it would be a mistake to send a 5th Division to France, and that the estimates made in my letter of December 22nd, above referred to, are very conservative; moreover, that having in view events which have taken place since that date with respect to recruiting here, I would not be inclined to change the figures, except possibly to make them even more conservative. In this connection I may add that I understand that our Canadian representatives in Great Britain have been drawing from the forces there men for forestry battalions and railway construction corps.

Could you inform me whether or not the Canadian authorities in England intend to act independent of our advice with regard to this matter. The reason I ask this is because if it has been determined to send a 5th Division to France, then they will require to be supplied with such equipment and necessaries from this side as they demand from time to time; for instance in accordance with the attached cable, and others which may come.

I should like to suggest that you cable Sir George Perley and ascertain the exact position.

Yours faithfully,

A. E. KEMP

271. *Minister of Overseas Military Forces to Prime Minister*

TELEGRAM London, January 18, 1917

Had conference Secretary State for War, Chief and Deputy Chief General Staff, Turner and myself. It was agreed that under present conditions unwise send Fifth Division France just now as sufficient reinforcements not in sight keep Five Divisions full strength during balance year but at their request we agreed complete establishment Fifth Division so that it would be available here for home defence in case of need and promised not take drafts from it for reinforcements at front when other sufficiently trained men are available here. Writing Kemp.

PERLEY

[1] Not printed.

272. *Order in Council*

P.C. 3189 January 30, 1917

The Committee of the Privy Council have had before them a report, dated 27th November, 1916, from the Minister of Justice, representing that recently upon consideration of the correspondence and circumstances with regard to the requisitioning by His Majesty's Government of the Canadian registered ship *C.A. Jacques,* he advised the despatch of a cable message to the Secretary of State for the Colonies to the effect that Your Excellency's Government could not, in his opinion, acquiesce in the exercise as affecting Canadian vessels of the requisitioning power by independent action of His Majesty's Government, or otherwise than by or through Your Excellency's Government.

Upon more deliberate consideration of the matter, the Minister has reached the following conclusions, but he observes that it is not the intention of this submission to question the prerogative or the extent of the prerogative, which is for present purposes assumed to exist, for the taking of ships of British subjects for the defence and protection of the realm, or that the power may be exercised although the place of registry, or the domicile or residence of the owners, be not within the United Kingdom. It is the manner of the exercise of the power rather than the assertion of the power itself which is in question.

The Minister submits that in his view the question to be determined is not one of legal power but of constitutional right. This distinction is well recognized in the Conventions which control the exercise of legislative powers. For example, the Parliament of the United Kingdom has the legal power but not the constitutional right to legislate directly in respect of Canadian affairs and in doing so to repeal *pro tanto* the British North America Acts. It is submitted that the exercise of His Majesty's prerogative with respect to Canada must be governed by the like considerations. It is the Parliament of Canada alone which constitutionally can determine and prescribe the burdens to be borne by this Dominion or by any of its citizens for the purposes of this or any other war. Similarly when the prerogative of the Crown is to be exercised, the Minister has no doubt that in respect of all matters which involve a contribution by citizens domiciled in this country, this prerogative must be exercised upon the advice of Your Excellency's Ministers and not upon the advice of the Government of the United Kingdom.

It is assumed that this proposition will not be controverted in its application to the taking for purposes of defence of property, real or personal, situate within the Dominion; and, although ships constitute a species of property of transitory or shifting physical location, their owners nevertheless have places of domicile and residence, and the property has a place of registry to one of which its locality should be referred; therefore the Minister apprehends that if a ship be registered and the owners be domiciled and reside within Canada, the compulsory displacing of the ownership or control

of the ship in favour of the Crown for any public purpose should independently of the actual location at the time of the ship itself, be likewise a matter for the consideration and sanction of the Government of Canada through the means with which the Government is constitutionally endowed.

The Minister submits, further, that the method of exercising the requisitioning power, or the procedure by which the requisition is to be made effective, does not depend upon solution of the legal question, which may under existing instructions present some difficulty, as to whether Your Excellency is deputed to exercise this particular branch of the prerogative. Necessary executive powers may be delegated, or the exercise of the power may be sanctioned by the Parliament of Canada, or by the Governor General by means of his special legislative authority; wherefore it seems that these powers affecting local interests are not incapable of local execution and therefore that the compulsory requisition for the national service of Canadian owned and registered ships, in circumstances which admit of the competent exercise of the power, should be effected by Your Excellency upon the advice of Your Excellency's advisers; and that independent action for this purpose on the part of His Majesty's Government conflicts with the constitutional autonomy of Canada in the present stage of its development.

It is needless to observe that any representations which His Majesty's Government may submit as to the necessity or advisability of taking over a Canadian ship for the purposes of the war will receive prompt and sympathetic consideration by Your Excellency's Ministers.

The Committee concur in the foregoing, and on the recommendation of the Minister of Justice, advise that Your Excellency may be pleased to communicate a statement of the conclusions of the Minister of Justice as herein set out to the Secretary of State for the Colonies as indicating the views of Your Excellency's Government as to the manner in which the war prerogative of His Majesty to take Canadian property for purposes of national defence should constitutionally be exercised.

All which is respectfully submitted for approval.

273. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, February 5, 1917

SECRET. Shipbuilding. With reference to your telegram 8th December, view of Admiralty is that Canadian resources should immediately be utilized for output patrol boats, that is, steel vessels of trawler type with as good speed as can be obtained on the dimensions, and wooden steam drifters—say thirty-six of the former and one hundred of the latter. Admiralty would be glad if Canadian Government could undertake this programme and if so could state as early as possible by what date vessels could be constructed. These vessels are additional not only to the thirteen already in commission but also to the twenty-two others for the building or purchase of which your

Ministers are understood to be arranging. Designs are being prepared of vessels considered most suitable and will be sent for the guidance of your Ministers if they decide to undertake work. It is understood that information in Canada as to designs and costs of drifters which might be built has already been collected by the Imperial Munitions Board.

LONG

274. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, February 9, 1917

Your cable fifth respecting shipbuilding. My advisers are prepared to undertake proposed programme for His Majesty's Government and will proceed immediately with orders for the construction of thirty-six steel vessels trawler type with as good speed as can be obtained on the dimensions, and one hundred wooden steam drifters. They will avail themselves of all the information as to design and cost which has been collected by the Imperial Munitions Board but they hope that detailed designs and all necessary information not procurable here will be forwarded with the least possible delay.

275. *Order in Council*

P.C. 720 March 16, 1917

The Committee of the Privy Council have had before them a report, dated 15th March, 1917, from the Minister of Militia and Defence, stating that the provision of early and ample reinforcements for the Canadian Expeditionary Force overseas is of the utmost importance, and that the present situation brooks no delay on the part of all His Majesty's Dominions in placing in the field every available man that can be spared.

The Minister observes that by Order in Council of the 6th August, 1914, in view of the state of war existing between the United Kingdom and the Dominions, Colonies and Dependencies of the British Empire, on the one side, and Germany on the other side, it was deemed advisable to mobilise Militia Units of such effective strength as might, from time to time, be determined by the Governor General in Council, such units to be composed of officers and men who are willing to volunteer for overseas service under the British Crown;

That by Orders in Council dated respectively November 7, 1914, (P.C. 2831); July 8, 1915 (P.C. No. 1593); October 30, 1915, (P.C. No. 2539); and January 12, 1916, (P.C. No. 36), the Minister of Militia and Defence was authorized to raise and equip, for the purpose aforesaid, officers and men not exceeding 500,000, including those who had been, or might hereafter be, raised for garrison and guard duty in Canada;

That it was further provided by Order in Council dated June 10, 1916, (P.C. No. 1396), that, before any further units, the cost of which would

be chargeable to War Appropriation, shall be authorized, or authority given for raising the same, authority shall be obtained from the Governor General in Council for that purpose, in accordance with War Appropriation Act;

That serving in Canada, there are about 50,000 men of the Canadian Expeditionary Force; there are also under arms some 12,000 of the Active Militia, called out under the authority of Order in Council dated August 6, 1914, (P.C. 2068), on guard and garrison duties.

The Minister further observes that steps should accordingly be taken, without delay, to send overseas as many as possible of the 50,000 men of the Canadian Expeditionary Force who are now in Canada; the actual number depending on the extent to which troop ships and escorts can be made available;

That present conditions, however, differ from those which obtained when approval was given to Order in Council dated August 6, 1914, (P.C. No. 2068); and to be able to send overseas the reinforcements urgently needed, without reducing too low the number of troops available in Canada for Home Defence, a partial mobilization of the Active Militia is advisable.

The Minister, therefore, recommends that he be authorized to carry out a partial mobilization of the Active Militia; provided that the force to be mobilized does not exceed a total strength of 50,000 excluding the troops already called out under Order in Council dated August 6, 1914, (P.C. No. 2068) and that it forms part of the force of 500,000 to which reference is made in Order in Council dated January 12, 1916, (P.C. No. 36). It is understood that the conditions of enlistment applying to the above mentioned partial mobilization of the Active Militia, apply only to service in Canada for Home Defence.

The Minister submits memoranda outlining the arrangements proposed.

The Committee submit the foregoing for approval.

276. *Director of Military Operations, War Office, to Prime Minister*

Dear Sir Robert Borden, London, March 24, 1917

As my reply to your question to me at the War Cabinet yesterday was interrupted I am not certain that I made my meaning clear. At present the policy of His Majesty's Government is to defeat Germany and that being so the General Staff say that it is only possible to defeat Germany and at the same time guard essential British and French interests by being as strong as possible on the Western Front in France. If the Government say to us that they have decided that the defeat of Germany is impossible and that their policy is to get as much out of the war for ourselves as possible, short of the defeat of Germany, then the General Staff could and would make other proposals.

That is what I meant that the answer to your question rested in the first place with the Government rather than with the General Staff.

I hope I have made myself clear,

Yours sincerely,

F. MAURICE

277. *Order in Council*

P.C. 910 March 31, 1917

The Committee of the Privy Council have had under consideration a report, dated 28th March, 1917, from the Right Honourable Sir George E. Foster, Acting Secretary of State for External Affairs, representing, with reference to a Secret despatch from the Secretary of State for the Colonies to Your Excellency, dated 17th February, 1917, on the subject of raising further troops in Canada, that the Canadian Government fully realize the gravity of the situation and desire to cooperate with the other parts of the Empire to the fullest possible extent.

The Minister observes that difficulty is found, however, in view of the large number of men so far recruited for the various Overseas Forces, amounting now to nearly 400,000, and the consequent serious inroads made on the available labour supply of the Dominion, to provide for the upkeep of the force already in the field and add any considerable number thereto. The Government has had so far to proceed by voluntary enlistment and has now reached the stage when its appeal is addressed to a public whose fit and sympathetic manhood has been very largely abstracted.

It does not seem advisable at present to attempt to resort to compulsory methods, which would arouse antagonism and bitterness in various sections of the country, and it has, therefore, been determined to endeavour to enlist 50,000 men for home defence, whose enrollment will liberate for active service those now enlisted for overseas service, but hitherto retained for guard duty along our exposed frontier and in protecting our extended public works and utilities and our long land transport system. The men thus freed will be sent overseas as soon as troopships can be secured.

The Minister submits that, under these circumstances, it is considered inadvisable to encourage the hope of our being able to mobilize new divisions or to raise any considerable number of additional fighting units.

The Prime Minister of Canada is now in England and the issues involved will no doubt be discussed by him with His Majesty's Government.

The Committee concur in the foregoing and, on the recommendation of the Acting Secretary of State for External Affairs, advise that Your Excellency may be pleased to transmit an answer in the sense hereof to the Secretary of State for the Colonies.

All which is respectfully submitted for approval.

278. *Colonial Secretary to Governor General*

TELEGRAM London, May 19, 1917

With reference to your despatch 2nd February No. 82. Following are suggested as principles which should govern methods of exercising requisitioning authority as between H.M. Government and Dominion Governments.[1] Requisitioning authority should be regarded as vested in and only to be exercised on behalf of Governments of that part of Empire in which vessel's port of registry situated, ports in Colonies not possessing responsible Government being treated as United Kingdom ports. When vessel is in territorial waters of part of Empire other than that in which port of registry situated requisition will as a matter of form and subject to (reservations) in next clause be served through machinery of Governments of that part of Empire in whose waters ship may be at the time. Where vessel registered United Kingdom is engaged coastal trade in a Dominion or trade between two Dominions or other employment stated by Dominion Governments to be (vital) H.M. Government will consult Dominion Government before requisitioning and Dominion Government will consult H.M. Government in converse case of vessel registered Dominion similarly situated. In last resort wishes of Government in whose country vessel registered will prevail. To facilitate matters suggested that Dominion Governments (should supply) list of ships registered United Kingdom which are engaged in their vital trades and notify changes from time to time. H.M. Government will furnish similar information to Dominion Governments as regards ships registered Dominions. Hoped that your Government will concur in these principles. Understood Canadian Minister of Marine prepared to accept proposal in present form. To prevent attempts at evading possible requisition H.M. Government are taking steps to prevent during the war transfer of registry of vessel from (port in United Kingdom).

Similar telegram to other self-governing Dominions.

LONG

279. *War Office to Governor General*

TELEGRAM London, May 25, 1917

SECRET. Following for Militia. Your telegram May 16th. Fifth Canadian Division is at present allocated to home defence as Canadian authorities do not agree to its despatch to France until draft situation is more assured. It is very important that this Division should eventually be sent to France and in view of way in which strength of Canadian Divisions in France has been maintained and their present very satisfactory strength I trust Canada will agree to the Division going as soon as it can be made ready.

[WILLIAM ROBERTSON]

[1] The position of the Canadian Government is stated in Document 272.

280. *Military Aeronautics Directorate to Minister of Overseas Military Forces*

London, May 26, 1917

Dear Sir George,

I have been thinking over what you said about the feeling in Canada that Canadian Officers are not receiving fair play in the Flying Corps in the way of promotion. I think perhaps it would be desirable that you should let Sir Robert Borden know my personal conviction that there is no real ground for this impression. I am well acquainted with the methods by which young officers are selected for promotion, and although promotions from the junior ranks do not come before me personally, the general question of promotion is constantly discussed by me, not only with the senior officers, but with those of junior ranks. From my recollection of the extract you read of Sir Robert Borden's telegram, it is evident to me that there are one or two misconceptions which might be cleared up at once. Mention was made of the fact that the Senior Officer of the R.F.C. now in Canada received his training in flying from a Canadian Officer who has not been similarly promoted. The explanation of that is quite simple. I have fortunately been able to secure for the Royal Flying Corps the services of a number of experienced Regular officers, and those of them who have justified expectations have been promoted in the Corps much more rapidly than the young and inexperienced gentlemen who were merely gallant soldiers and good fliers. The command of a squadron, and much more the command of a Wing or Brigade, is a serious military proposition, and by reference to the Army List, you will see that only quite a small proportion of these commands are filled by other than experienced officers of the Regular Army. It is very largely to this policy that I ascribe the general efficiency of the personnel of the R.F.C. The fact that a man is a good flier, gives, in itself, no claim to promotion—other qualities are necessary also. The case of Colonel Hoare and the Officer who taught him to fly, is by no means singular; as I told you, the Officer who taught me to fly, 6 years ago, is still Flight Commander, and there are very many other cases.

The statement that there is a prejudice against Canadians in the Corps, because of their nationality, I believe to be absolutely unfounded. Certain cases have been brought to my notice where allegations of this kind have been made, but when these have been investigated, it has invariably been discovered that the prejudice against the particular officer was not because he was a Canadian, but for some quite different reason. When a boy is a failure, it is very natural for him to try to excuse it by alleging an unwarranted prejudice of some kind on the part of his superiors, but I know personally that the Canadian officers in the Flying Corps are liked and respected, not because they are Canadians, but because they compare quite favourably as a rule, with their brother officers. I have had quite a number of Canadian officers staying with me in my house in London when on sick leave, and they have talked to me quite openly and confidentially about

their experiences in the Flying Corps, but I have never heard the slightest suggestion that there was any prejudice against them.

I am having the position of Canadian officers, generally, in the Corps looked into, in order that I may compare the rate of their promotion with that of the Home and other Overseas officers. In the meantime, the state of promotion of the South Africans might interest you. There is one squadron of South Africans, and that squadron has already produced four Squadron Commanders, three of whom have been taken out of their own South African Squadron to command others in the Royal Flying Corps. There is therefore no sign of prejudice against them, and I am equally certain there is none against the Canadians; in fact, as I told you I do not believe that the senior officers of the Corps pay any attention whatever to an officer's origin, but select them for promotion entirely with the view to efficiency and the good of the Corps.

Yours very sincerely,

DAVID HENDERSON

281. *Military Aeronautics Directorate to Minister of Overseas Military Forces*

Dear Sir George Perley, London, June 7, 1917

I enclose herewith statistics[1] shewing the relative position of Canadians in the Royal Flying Corps with regard to promotion. You will see from these papers that there is absolutely no foundation for the statement that they are not receiving fair play.

There is one point which is not brought out in the figures, which has a bearing of some importance on the case. Nearly all the Canadian officers joined the Royal Flying Corps with very little, if any, military experience, and they had to be turned into soldiers as well as fliers. A considerable proportion of those who joined from the United Kingdom were Regular officers of experience, and naturally these filled a considerable proportion of the appointments of Squadron and Wing Commanders, which, to my mind, is just as it should be.

Yours sincerely,

DAVID HENDERSON

282. *Minister of Overseas Military Forces to Prime Minister*

TELEGRAM London, June 9, 1917

SECRET. Corps Commander[2] temporarily given higher command but unlikely return to us. Matter will be definitely settled within few days. Intend insisting on appointment Canadian. Don't expect serious objection to so doing. Turner is senior but his work invaluable here don't want make

[1] Not printed.

[2] Lieut.-General Sir Julian H. G. Byng.

change and he is of course rather out of touch with front after six months absence. Believe Currie who as senior officer at front is now temporarily in command Corps is considered most suitable for Corps by higher command and also by larger half troops although both officers have many strong friends. Think wisest course and one which would cause least friction and difficulty would be make Currie Corps Commander retain Turner here as G.O.C. with certain measure authority over administrative matters at front particularly on lines communication. Endeavour get War Office make them both Lieutenant Generals and so preserve Turner's seniority. Turner naturally anxious command Corps as he is by temperament fighting soldier but he will acquiesce cheerfully in our decision. Please cable your views.

PERLEY

283. *Minister of Overseas Military Forces to Prime Minister*

TELEGRAM London, June 15, 1917

CONFIDENTIAL. Have consulted military authorities unofficially. They will recommend Currie for Corps. Have talked whole matter over with Currie and Turner to-day. Have reached most pleasant understanding with them both. For First Division Macdonnell will be recommended by Currie and Commander in Chief, as thought Hughes had better remain with Fifth, pending final decision regarding possibility its being sent France but Currie considers Hughes good officer and that he should get chance Division at front later on if Fifth cannot go forward. Have promised concur in these recommendations when made.

PERLEY

284. *Order in Council*

P.C. 1657 June 16, 1917

Whereas His Majesty's Government having issued a Defence of the Realm Regulation that an application for the transfer of the registry of a British ship from a port of registry in the United Kingdom to a port of registry outside the United Kingdom shall not be made without the consent of the Board of Trade, it is expedient that a similar regulation be made with respect to Canada;

Therefore His Excellency the Governor General in Council, on the recommendation of the Minister of Marine and Fisheries, and under and in virtue of the provisions of The War Measures Act, 1914, is pleased to make the following regulation and the same is hereby made and enacted accordingly:

> No application for the transfer of the registry of a British ship from a port of registry in the Dominion of Canada to a port of registry outside of the Dominion of Canada shall hereafter be made or granted without the written consent of the Minister of Marine and Fisheries of Canada.

285. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, June 22, 1917

Referring to your telegram May 19th. Canadian Government are prepared to concur in suggested principles submitted to govern methods of exercising requisitioning authority as between His Majesty's Government and Canadian Government. They would invite attention to proposal that when vessel is in territorial waters of part of Empire other than that in which port of registry is situated requisition will as a matter of form be served through machinery of Government of that part of Empire in whose waters ship may be at the time and in that connection they desire to make it clear that while accepting principle, it must be understood that in so far as vessels of Canadian registry are concerned there shall be no exercise of requisitioning power unless and until their assent thereto is obtained.

As suggested His Majesty's Government will be kept advised of ships registered in United Kingdom that may from time to time be employed in Canadian trade. Canadian Government have taken steps to prevent until further notice transfer without approval of registry of vessels from any port in Canada.

DEVONSHIRE

286. *Minister of Militia and Defence to Prime Minister*

Dear Sir Robert Borden, Ottawa, June 22, 1917

Re establishment of Canadian Flying Corps

Reference to the memorandum you forwarded to me regarding the above subject, I am enclosing herewith a copy of a memorandum prepared by Major General Gwatkin, Chief of the General Staff on the subject. I note from the copy of the cable from Sir George Perley that he is still considering the question of the advisability of forming a Canadian Flying Service. I shall be interested to see his remarks in this connection when they are received.

Yours faithfully,

A. E. KEMP

[ENCLOSURE]

Memorandum by Chief of the General Staff

June 1917

PROPOSED FORMATION OF A CANADIAN FLYING CORPS

1. I am strongly opposed to the formation, while war lasts, of a Canadian Flying Corps in Canada, for the following reasons:

(*a*) It would clash with the R.F.C. in Canada.

(*b*) It would entail extensive building; the provision of technical equipment; the preparation, perhaps the purchase, of one or more sites. This means heavy expenditure.

(*c*) In order to obtain an efficient staff, it would be necessary to recall to Canada officers serving overseas. The Army Council would be loath, and might decline, to part with them. This would set up friction.

(*d*) It would be a long time, perhaps the war would be over, before results could be obtained.

2. On the other hand, when war is over, a Canadian Flying Corps should undoubtedly be formed. There will then be an abundance of trained and experienced aviators; and the Canadian Government will be able to take over buildings and equipment left behind when the R.F.C. establishments are withdrawn from Borden and Deseronto.

But if the C.F.C. is to be a success, it must be something more than a unit of the Canadian Militia. To some extent it should be commercialized, working in conjunction, for example, with the Topographical Surveys, Geographer's and Forestry Branches of the Department of Interior, perhaps with Post Office Department, certainly with the Department of the Naval Service.

3. Meanwhile, there being so many Canadians in both Wings of the R.F.C., I think the time has come when the Canadian Government might reasonably propose the organization of units exclusively Canadian; and that such units, if organized, should be allotted to the Canadian Corps now serving in France, or to the Army of which the Canadian Corps forms part. But should the proposal embarrass the Army Council, I hope it will not be pressed.

I see no reason why the units in question, if formed and allotted as proposed, should cease to belong to the R.F.C. If they were transferred to the C.E.F., the cost of maintenance would fall, of course, on the Canadian Government.

W. G. GWATKIN

287. *Prime Minister to Minister of Overseas Military Forces*

TELEGRAM Ottawa, June 27, 1917

Following message for Prime Minister. There is some surprise in Canada that at present time France has a strong and representative Military Mission in United States while Great Britain is not represented in the same manner. The result is that France has altogether taken the lead in military affairs in United States and Great Britain has taken an entirely minor position in such matters. I have no personal knowledge of this condition but it comes to me from very reliable sources. Have you considered desirability and importance of sending a resident British Military Mission to United States if agreeable to the Government of that country. In that case Canada would desire to be represented by competent officers on any such mission. If Great

Britain does not propose to have a resident Military Mission in the United States is there any objection to Canada sending a military mission on her own account subject of course to the approval of the United States Government. It would of course work in perfect co-operation with the Northcliffe War Mission.

288. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, June 28, 1917

Referring to your telegram 7th June. Requisitioning of ships. Order in Council passed June 16th[1] making general notification of the fact that no application for transfer of registry of a British ship from port of registry in Dominion of Canada to port of registry outside of Dominion of Canada shall hereafter be made or granted without written consent of Minister of Marine and Fisheries.

DEVONSHIRE

289. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, June 30, 1917

SECRET. Chancellor of the Exchequer desires that the following message be conveyed to the Canadian Government: Telegram has been received from Imperial Munitions Board estimating requirements for July at sixty-nine million dollars; Canadian Finance Department promises twenty-five million dollars and British Treasury is asked to furnish balance of forty-four million dollars. Apart from assistance from Canada there are only two methods open of providing this sum: (1) From British Treasury account in New York, (2) Release of gold. Government of United States object to use of funds provided by them except to pay for expenses incurred in the United States; this covers only twelve million dollars out of above-named sum. This amount we will endeavour to provide in New York although it is impossible to give undertaking as to precise date of payment pending more definite arrangements with the United States Treasury for July.

With regard to balance of thirty-two million dollars therefore we have no means of payment except gold. Our gold reserves have now sunk, however, to so low a level that whole amount available is required for payments outside of Empire. Much regretted by H.M. Government that they cannot contemplate disbursing in Canada their final reserves which as Dominion Government will appreciate must be kept in hand for urgent necessities in foreign countries.

Thus there is no alternative to provision of above balance from Canada's own resources. As ten million dollars is required not for new expenditure but for repayment of loan from Bank of Montreal this Bank may perhaps be persuaded to renew. Five million dollars is for interest. We suggest this

[1] Document 284.

be set off against sterling sums due from Canadian to H.M. Government or else postponed for present. Deducting these items the sum of seventeen million dollars remains requiring finance during July. It is earnestly hoped by H.M. Government that Canadian Government will find some means of providing this amount either by further bank loans or by the issue of additional currency notes. In connection with latter expedient, Sir Thomas White informed Sir Hardman Lever[1] on June 1st last that he felt great difficulty in increasing his note issue without gold or Bank of England notes behind it. The same objection holds good however against any such arrangement as against the actual release of gold at Ottawa, the effect on British gold reserves being the same. We appreciate your Finance Minister's natural reluctance in this matter and also how necessary financial prudence is in Canada's position. Nevertheless a stage of the war has now been reached when, however regrettably, some risks must be taken. It is for the Canadian Government to weigh disadvantages of the course of action which we now urge upon them with the effect on the British Army's supply of munitions and the loss and confusion in which Canadian manufacturers would be involved if the Imperial Munitions Board were not in a position to meet their liabilities.

The above applies equally to funds required to finance purchases of cheese and other commodities for War Office and Board of Trade effected through departments of Canadian Government.

Please urge on your Ministers that above suggestions are only put forward after most careful deliberation in view of present necessities of the situation.

LONG

290. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, July 4, 1917

Following for Chancellor of the Exchequer in reply to his message 30th June: Minister of Finance is discussing subject with Sir Hardman Lever who will cable the Treasury within the next two or three days. Munitions Board will endeavour to arrange renewal of loan from Bank of Montreal. Minister of Finance will charge interest item to Treasury. With reference to remaining seventeen million dollars Minister says that further bank loans not expedient now. Minister is of opinion that issue of currency notes unsecured by gold would prove so injurious to credit that his prospect for floating war loan in the autumn would be seriously prejudiced. Note circulation of the Dominion is closely watched by financial interests in Canada and New York. Minister hopes to be permitted by American Government to borrow in New York. Pending negotiations regarding such borrowing Minister is unable to definitely state what further immediate assistance he can make towards July and August commitments of Treasury. He suggests matter be left open until Treasury hears from Sir Hardman Lever.

[1] Financial Secretary to the British Treasury, 1916; Treasury Representative in United States, 1917-1919.

291. *Colonial Secretary to Governor General*

TELEGRAM London, July 5, 1917

SECRET. URGENT. Following for Sir Robert Borden from Prime Minister. Begins. I have been asked by War Cabinet to explain to you the serious financial situation which confronts them. We have now reached a position when the only alternatives are that we should largely diminish orders placed in Canada or that Canada should make itself mainly responsible for financing those orders. We should be most reluctant to adopt the former course especially in view of your request that as large a part of North American orders as possible should be placed in Canada—a request which we have done our best to comply with—but unless Canadian Government can see its way to provide the necessary financial assistance there is no other course open to us. We recognize to the full the immense help Canada has already rendered during the war and the risks which this course will entail. But you will remember from the discussions at the Imperial War Cabinet the enormous financial liabilities and risks assumed by this country not only on its own account but also for its Allies and you will appreciate that we should not make this request of you if it could possibly be avoided.

Present commitments are approximately as follows: Apart from loan of $10,000,000 due to Bank of Montreal and from interest payment both of which I understand you can arrange for the time being: commitments through Imperial Munitions Board (including Russian railway orders) about $150,000,000 falling due by September 30th; Board of Trade cheese purchases up to end of September $40,000,000; War Office purchases including running contracts $16,000,000. Total for the months July to September $206,000,000 exclusive of wheat and oats. Of this amount about $40,000,000 will be for purchases by Imperial Munitions Board in United States and can be met by us out of United States (funds). Towards balance $166,000,000 I understand you can in any case furnish $25,000,000 in each month. Uncovered balance is therefore $91,000,000.

It is essential that we should now know whether it is possible for you to cover this as otherwise there seems no alternative to our taking immediate steps to cancel orders. I would be very much obliged if your Government would give this vital matter their most earnest attention.

LONG

292. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, July 7, 1917

Following for Prime Minister from Sir Robert Borden. Begins. We have earnestly considered your cable of fifth instant as to financing of your purchases of munitions, cheese, and other supplies in Canada and we are most anxious to assist in every way possible. The Minister of Finance has been in consultation with Sir Hardman Lever representing the Imperial Treasury

in United States with a view to the deposit with the Minister of securities by the Imperial Government against an issue of additional note circulation which would enable us to help you. If the Treasury can lodge with the Bank of Montreal in London for our account or with the Minister of Finance here Canadian municipal, provincial, or provincial guaranteed or other high-class securities Minister thinks we could issue over the next three months fifty million dollars of additional circulation which would be available to assist to that extent. It is clear to us that the issue of unsecured circulation would so seriously prejudice the market position of our securities and the success of future loans that it would result in our raising less money rather than more within the next four months. The position of our securities on the market is quite critical owing to Canadian securities being debarred from the American market since the entry of United States into the war. Minister of Finance has been endeavouring to obtain consent of American Government to issue of a loan in New York. He may be able to arrange this later but at present there is no certainty. Minister is of opinion that your Government should strongly press United States Government to permit you to use from proceeds of their loans to you twenty-five to fifty million dollars monthly towards meeting your commitments in Canada. The balance of trade between Canada and United States is greatly in favour of the latter and New York exchange is now at a heavy premium here. Dealing specifically with the expenditures mentioned in your cable Minister of Finance says that if Treasury will lodge securities as suggested above he will issue note circulation to meet your purchases of cheese. We shall not be able to find funds for War Office purchases of hay, oats and flour through Department of Agriculture. We shall, as arranged, assist the Imperial Munitions Board to the extent of twenty-five million dollars a month during July, August and September. Balance of their requirements should be furnished from United States loans to your Government. It is not possible to arrange further bank credits as Minister has exhausted this source in arranging for advances to Imperial Munitions Board for June, July and August. We are satisfied that the foregoing represents the best we can do in the circumstances. Ends.

293. *General Officer Commanding, Canadian Forces in the British Isles, to Minister of Overseas Military Forces*

July 13th, 1917

Dear Sir George,

I attach a list[1] of Canadian Officers serving in the R.F.C. and R.N.A.S.

I consider that as Canada is supplying such a proportion of the personnel, that we should proceed with the organization of a Canadian Flying Corps. This would enable the Canadians to take their rightful place in the Imperial Forces, to receive the full credit for the work being done by them, and to provide an organization of experienced personnel to carry on the flying service after the war.

[1] Not printed.

I would propose the Canadian squadrons be organized as rapidly as conditions would allow with the ultimate object of having, if possible, a Canadian Brigade in the Field, together with the necessary reserve formations in this country and in Canada.

It would be necessary to appoint an Officer to undertake the duties of Director or Officer administering the Canadian Flying Corps, and to commission him to proceed with the organization of the Corps on such lines as may be decided.

I am aware that it would be necessary to secure equipment through the Air Board, and for this reason I consider that the personnel only be supplied from Canadian sources, and that the necessary training and technical equipment be arranged for with the Air Board.

I consider the Officers should be obtained by the withdrawal of suitable Officers from the R.F.C. and R.N.A.S., by transfer from other arms of the service and by direct appointment. To secure the necessary supply of other ranks, I would recommend the selection of skilled tradesmen who would be placed in training in Imperial Schools. Those considered likely to become suitable for the senior non-commissioned appointments could then be attached for further training to units in the Field until such times as we have secured a sufficient supply to provide for the organization of the first squadron or squadrons.

Canadian Officers should also be given an opportunity to become qualified to hold positions on the aeronautic Staff, on lines of communication and as equipment Officers.

Should it be possible by proceeding along the above lines to build up a Canadian Brigade, we shall then have a formation which will cover all the branches of work (including kite-balloon) normally undertaken by the Air Services.

Yours faithfully,

R. E. W. TURNER

294. *Prime Minister to Minister of Militia and Defence*

Ottawa, July 14, 1917

Dear Sir Edward Kemp,

Is anything being done with a view to establishing a Canadian Flying Corps? It seems unfortunate that when so much splendid work is being done by Canadians that they should have no distinctive part in the service.

Yours faithfully,

ROBERT L. BORDEN

295. *Minister of Militia and Defence to Prime Minister*

Dear Sir Robert Borden, Ottawa, July 15, 1917

Re Canadian Flying Corps

I am in receipt of your letter of the 14th instant regarding the above-named subject.

I have directed the C.G.S., to have a conference with the Imperial Munitions Board and to go to Toronto and have a conference with Lieut.-Colonel C. Hoare, Commanding Royal Flying Corps, Canada, with a view to ascertaining the present condition of the programme which the British Government mapped out respecting its Flying Corps operations in Canada, and if it is a practical question for us to have Flying Corps Units of our own, or to have such as a part of the Royal Flying Corps and specially ear-marked as Canadian.

I intend to have an exhaustive report made on the subject with the least possible delay, and so soon as same is available, I will forward you a copy.

Yours faithfully,

A. E. KEMP

296. *Colonial Secretary to Governor General*

TELEGRAM London, July 17, 1917

SECRET. Following for Sir Robert Borden from Prime Minister. Begins. I have received your telegram July 7th offering further assistance towards meeting needs of financial situation by means of additional note circulation for which we are most grateful. Chancellor of the Exchequer is arranging technical details direct with your Minister of Finance. As regards future Cabinet agree that we should act on Sir Thomas White's suggestion conveyed in Governor General's telegram received July 9th that amounts and dates of advances to be received from him should be agreed upon two or three months in advance as any commitments are made in Canada, which is to be asked to finance. They accordingly propose to give instructions to Board of Trade, War Office, Munitions, Aviation, Shipbuilding Departments to cancel as far as possible commitments up to 30th September with a view to reducing existing excess over finance already arranged and to enter into no new commitments after that date until they have learnt what sums your Government will be in a position to advance. The Cabinet would be obliged if you could let them know as soon as possible what future advances are possible so that they may limit orders with minimum dislocation to all concerned.

LONG

297. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, July 17, 1917

SECRET. In connection with the campaign being started throughout the Dominion for increased production of food supplies for Allies and for economical consumption, it has been suggested by Rhondda that message from the King would be invaluable. If your Government approve His Majesty would propose to send following message:

I learn with deep gratification of the effective steps being taken in the Dominion of Canada towards providing those increased supplies of food which are absolutely essential to the defeat of the enemy's devices and to a speedy and successful termination of the war. I have no doubt that the self sacrifice displayed on the battle-fields of France by my heroic Canadian troops will find its counterpart in the efforts of those who, at home in the Dominion, are devoting themselves to this work. All those thus loyally engaged contribute in important measure toward assuring victory.

GEORGE R & I.

I should be glad of the views of your Ministers but if they concur you are at liberty to publish immediately.

LONG

298. *Colonial Secretary to Governor General*

TELEGRAM London, July 18, 1917

Referring to my telegram July 17th, as to King's message respecting food production. Following for Hanna from Rhondda. Begins. We look to resources of Canada and to the indomitable energy of Canadians for an answer that will shatter Germany's threat of starvation. In normal times Mother Country is dependent on your Dominion for a large part of its food supplies. War has increased that dependence to such an extent that it is now vital for United Kingdom and Allies in Europe to obtain from Canada foodstuffs in far larger quantities than under peace conditions. That must necessarily entail effort and far reaching economy with their attendant sacrifices on the part of Canadians.

I know that like ourselves at home the pick of your manhood have gone and are going to take their splendid share in the front line of battle and that therefore you are faced with difficulty of supply of labour. I also realize an increased export of food supplies must entail diversion of effort from other enterprise yet I am convinced that people of Canada will surmount all obstacles and that the harvest as far as human labour can achieve will be a striking demonstration of Canada's efficiency and determination. The willingness of Canadian people to permit control of their products for purposes of winning war is naturally welcomed by all Allies as tending to increase supply and to regulate prices. When I say that since the war prices of bread,

flour and cheese in United Kingdom have been at least doubled, that cheaper cuts of meat are dearer by 191 percent; sugar by 188 per cent, and potatoes by 144 per cent you will understand natural anxiety with which we view this phase of (?) food problem, the certainty that we can rely on your wholehearted co-operation not only in utilizing every ounce of national energy to increase production but in equitable adjustment of prices gives me the greatest encouragement. I most heartily wish you every success in your all important work. Ends. Rhondda desires this should not be published till after publication of King's message if approved by your Ministers.

LONG

299. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, July 20, 1917

Your cable seventeenth instant. Minister of Finance desires in order that there may be no misunderstanding as to financial arrangements to state that he will make advances here to the Imperial Munitions Board of twenty-five million dollars a month for July, August, and September upon condition that the Treasury will without fail provide Imperial Munitions Board with fifteen million dollars from American sources during each of the said months. This last-named sum represents price of material and other supplies purchased in United States by the Imperial Munitions Board and Canadian munition manufacturers. The Minister will in addition to the above furnish a loan to the Treasury by an issue of fifty million dollars in Dominion notes against the deposit of securities approved by the Minister with the Bank of Montreal, London, for his account, the said loan to be availed of during July, August, September, and October for payment for cheese purchased in Canada amounting to forty million dollars and to the amount of about ten million dollars in repayment to the Dominion Government of monies already advanced in payment of purchases of hay, oats and flour by our Department of Agriculture for War Office account. The Treasury must find money for any expenditure other than the foregoing and in addition must provide for repayment to Bank of Montreal of ten million dollars payable by Imperial Munitions Board on August fifteenth and five million dollars to Canadian Bank of Commerce payable by Imperial Munitions Board on September fifth.

In the event of above programme being carried out Minister will engage to provide twenty-five million dollars to Imperial Munitions Board in October and will endeavour to provide a similar amount for November and December provided that the Treasury furnishes fifteen million dollars from American sources for October, November, and December. Minister has given matter his most careful consideration and is satisfied that the foregoing represents the limit of what he can do, having regard to financial conditions and the credit of the Government.

300. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, July 21, 1917

Referring to your telegram of July 17th, Food Production, Canadian Government propose to publish King's message Monday morning July 23rd.

DEVONSHIRE

301. *Colonial Secretary to Governor General*

TELEGRAM London, August 10, 1917

SECRET. Following from Chancellor of Exchequer. Your telegram August 6th. As regards fear of your Minister that similar position may arise in September we are doing our best to curtail Canadian commitments as drastically as we can and while it may be necessary to have an advance in September out of the October instalment we trust it may be possible to get clear by October. With regard to possibility of further transfer of funds from United States I regret to say our prospect of funds there in August are short of our actual commitments as it is and my latest information is that further dollars will not be forthcoming from United States Treasury for the purpose of remittance to Canada. You may be assured we have brought all possible pressure to bear on Government of United States to provide funds for this purpose. I regret therefore that, as I said in my telegram August 1st, I have no option, however great my inclinations to meet Sir Thomas White, to the proposals set out in that telegram. We are only asking your Minister to anticipate by a few weeks advances which he has promised to make to H.M. Government in any case. We are in real need of his assistance and ask him to believe that we would not press him further if we had any alternative.

LONG

302. *Minister of Militia and Defence to Prime Minister*

Dear Sir Robert Borden, Ottawa, August 11, 1917

Canadian Flying Corps

I have consulted Lieutenant-Colonel Hoare, who commands the Royal Flying Corps in Canada; he concurs in the remarks contained in the accompanying memorandum; and I hope you will agree that, *while war lasts,* it would be folly to attempt the formation of a Canadian Flying Corps in Canada.

And at the front, I do not think it would be sound to seek to form Squadrons exclusively Canadian. But it might be suggested to the War Office that a certain number should be *officered* exclusively by Canadians and, so far as the exigencies of war permit, employed in conjunction with the Canadian Divisions.

Yours faithfully,

A. E. KEMP

P.S. A "Squadron" consists of three "Flights", each (normally) of six machines.

[ENCLOSURE]

Memorandum relating to the proposed Establishment of a Canadian Flying Corps

I. In Canada

1. While war lasts, the establishment of a Canadian Flying Corps in Canada is not recommended, for the following reasons:

(*a*) It would entail extensive building operations; the provision of technical equipment; the preparation, perhaps the purchase, of suitable sites. Apart from the pay and maintenance of personnel, the expenditure would be enormous.

(*b*) In order to obtain an efficient staff, it would be necessary to recall Canadian officers serving overseas in the Royal Flying Corps. The British Government would be loath and might decline to part with them, and friction would result.

(*c*) It would be a long time, perhaps the war would be over, before results could be obtained.

(*d*) The Royal Flying Corps since it came to Canada has, at vast expense, started a factory (Canadian Aeroplanes, Limited), and erected semi-permanent buildings at Camp Borden, Leaside and Armour Heights, also, near Deseronto, at Camps Rathbun and Mohawk. Nearly 1000 cadets (intended to serve overseas as officers) and about 3000 air-mechanics (who remain in Canada, many of them medically unfit for general service) have already been enlisted; but the supply of recruits is falling off, and competition with a Canadian Flying Corps would be disastrous.

II. Overseas

2. Overseas, there are so many Canadians serving as officers in the Royal Flying Corps that a certain number of Squadrons might be officered by them exclusively; but it would be very difficult indeed to complete the establishment of other ranks; and, owing to the exigencies of modern warfare, it would not be feasible to detail Squadrons, even if exclusively Canadian, for permanent duty with the Canadian Army Corps.

The Officer Commanding the Royal Flying Corps in Canada reports that if men were available he could train Canadian Squadrons and send them overseas; but men (i.e. air mechanics) are not available, nor could he in any case start work until next spring.

Lastly there is the question of expense. If Canadian Squadrons were formed, Canada no doubt would pay for them; and it is estimated that the cost of forming, taking over and for six months maintaining a Squadron would amount at least to $2,500,000.00.

[A. E. KEMP]

303. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, August 20, 1917

Please convey following message to Chancellor Exchequer from Minister of Finance: Greatly disturbed to learn through Imperial Munitions Board that it is proposed by Treasury to use only part of monthly advances of twenty five million dollars to be made by us in October and subsequently in payment for munitions. Our understanding has been that these advances are to be made for that purchase and for no other. Effect of cutting munitions output in half would mean widespread closing down of plants with industrial unrest and unemployment. Government cannot afford to have such a condition arise and we are most anxious that position as to advances of twenty five million a month after September should be clearly understood. Please reply as soon as possible.

304. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, September 5, 1917

Following for Chancellor of Exchequer from Minister of Finance: Referring your message contained in cable of September first from Colonial Secretary. I fully understand situation and appreciate desire of British Government to purchase Canadian food products to utmost of financial ability. Regarding further issue of currency against securities I am apprehensive that such action would lead to selling of Dominion securities and prejudice success of further War Loan issues in Canada or United States. Currency inflation is greatly dreaded by bankers here and a good deal of discussion has taken place respecting it. You may depend upon my doing my best to assist you and I shall be glad to discuss whole situation with Lord Reading.

DEVONSHIRE

305. *Colonial Secretary to Governor General*

TELEGRAM London, September 11, 1917

Following is text of agreement signed between H. M. Government and Government of United States as to purchase of supplies in United States . . . .[1] Have your Ministers any objection to application of agreement to any purchases by Canadian Government in United States which render United States credit necessary. Government of United States seem to desire (though point not clear) that purchases by British Overseas Governments should be presented beforehand to American Commission by nominee (or) nominees of H.M. Government and that (requirements) on which proposed purchases based should have been previously endorsed by Inter-allied Council when set up.

Similar telegram sent to other self-governing Dominions.

LONG

[1] Not printed.

306. *Governor General to Colonial Office*

TELEGRAM Ottawa, September 15, 1917

Your cable 11th September respecting purchase of supplies in United States. My advisers consent that this agreement shall be applicable to purchases by Canadian Government in United States subject to the following conditions: (1) Canadian Government may discontinue agreement upon ninety days notice as provided in paragraph eight. (2) Purchases by Canadian Government shall be presented to United States Commission by nominee of Canadian Government. (3) Canadian Government sees no reason why its purchases should require endorsement by Inter-allied Council and my advisers await explanation on that point. Any such requirement might entail great and unnecessary delay.

DEVONSHIRE

307. *Governor General to Ambassador in United States*

TELEGRAM Ottawa, September 29, 1917

Referring to your despatch September 21st, No. 191, my Ministers represent that it is not considered here that Mr. Lansing's draft[1] either as originally submitted or as proposed to be modified by Your Excellency, will provide satisfactorily for situation in Canada. Minister of Justice has under consideration different proposal upon which however it will be necessary to consult Prime Minister before it can be propounded. In meantime, it is specially desired that nothing should be done to conclude Convention as there are important Canadian interests which require to be protected. My Ministers state that these proposals do not make adequate provision for Canada and that suggestions of Canadian Government will be communicated to you as soon as possible after Sir Robert Borden's return on October 2nd.

DEVONSHIRE

308. *Memorandum for Prime Minister from Deputy Minister of Justice*

Ottawa, October 2, 1917

I attach a copy of the draft convention[2] which Mr. Lansing propounded to the British Ambassador. The latter suggested some amendments which, however, do not affect the principle of the convention, and it is not necessary for the present purposes to refer to them.

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[1] A draft Convention aimed at enforcing the compulsory military service of Canadians resident in the United States and United States citizens resident in Canada.

[2] Not printed.

The convention proposed is optional to either power in its application, and does not provide adequately for the situation as between Canada and the United States. With regard to the classes liable to compulsory military service under the laws of the respective countries, it is provided in the United States that those between the ages of 21 and 30 whether married or single may be drafted by ballot; while in Canada the entire male population from 20 to 45 is divided into classes subject to call by the Government. In either case there is provision for determining exemptions by tribunals. It is proposed at present to call in Canada, class I comprising those from 20 to 34. The principal difficulty in drafting a satisfactory proposal arises from the diversity of the requirements of Canada and the United States with regard to age, condition and classes.

It must be considered with regard to the domestic situation that there may be many United States citizens in Canada who are rendering useful national service, and who cannot well be spared either for the purpose of military service or to be deported to their own country. On the other hand doubtless there are many others who might in the general interest, equally with many of the Canadians, be compelled to serve, and the Canadians naturally complain when they are taken and the foreigners left.

It is not, I believe, considered good international practice to legislate to compel alien residents to undertake military service without the consent of the country of their allegiance; and therefore we must practically depend upon convention with the United States for definition of our legislative powers to deal with the situation.

The ideal project would be that the citizens or subjects of each country resident in the other should be made subject to the laws of the country of their residence with regard to military service, subject to their right to elect, when found qualified under the laws of their country of residence, to return and enter the military service of their own country, supplementing this stipulation by a provision that those who are found eligible and fit for service according to the laws of the country of their residence shall, if they thereupon elect to return to their own country for service, be accepted there and taken into their own national military service. A convention based upon this principle would insure that every man of either nationality who is physically fit and has no valid claim for exemption at his place of residence, would, if within the military class of either country, be compelled to serve in the military forces of the one or the other.

There would, I imagine, be no difficulty in bringing about this situation so far as concerns British subjects of Canadian birth or domicile resident in the United States, but whether or not the United States could be prevailed upon to make similar dispositions with regard to the whole class of their citizens resident in Canada who are within the comparatively broad limitations of age for Canadian military service is perhaps doubtful; and if not, then the question arises whether it would be politically advisable to stipulate that citizens of the United States resident in Canada, who have been called out for military service under the laws of Canada and found medically fit and

not entitled to any exemption, should be obliged, either to serve in the military forces in Canada, or to return to and remain in the United States so as to be available for service with the forces of the United States, if and when required by the laws of that country. A provision of this sort, while it would effectively meet the local situation in respect of the complaint against compelling Canadians to go to the war and leaving Americans at home to take their places in peaceful occupations, would nevertheless probably result in repatriating many of the Americans for no useful purpose to themselves or to their country.

Compatibly with the above suggestion it might be proposed that either country could call by proclamation its citizens or subjects, of military age and condition according to its own laws, living in the other country, and that if such a call were made the citizens or subjects of the country making the call residing in the other country, would be subject to the laws relating to military service of the country of their allegiance and liable to arrest and deportation if they do not respond to the call.

I think it would be advisable, without interfering with proposed arrangements between Great Britain and the United States, that an independent article should be embodied in the convention providing exclusively and reciprocally for the situation as between Canada and the United States, and I shall be prepared to draft this in a few paragraphs as soon as the Government decides its policy having regard to the consideration above suggested.

E. L. NEWCOMBE

309. *Memorandum for Prime Minister from Under-Secretary of State for External Affairs*

Ottawa, October 8, 1917

The Ambassador has acknowledged the receipt of our request to him not to commit us to anything in connection with reciprocal military enlistment until he has received our views on the United States draft convention to that end. Sir Cecil adds that he presumes we will communicate our proposals to His Majesty's Government, who are considering the United States draft convention sent them by telegraph.

J. POPE

310. *Prime Minister to Acting Minister of Overseas Military Forces*

TELEGRAM Ottawa, October 24, 1917

War Committee has had under consideration advisability of maintaining Fifth Division or of utilizing its personnel for reinforcements. Would appreciate an early expression of the views entertained by you and by General Turner, accompanied by reasons which lead to your conclusion.

BORDEN

311. *Chargé d'Affaires in United States to Governor General*

PARAPHRASE OF TELEGRAM Washington, October 30, 1917

With reference to your despatch No. 227, His Majesty's Government although they approve the principle could not accept United States Draft Convention on the ground that it conflicted with British legislation and they submitted fresh draft to the United States Ambassador which is now on its way to Washington. Could Canadian Government communicate with His Majesty's Government with a view to instructions being sent to me as to submitting to Canada draft articles to United States Government.

It would seem advisable that British and Canadian Governments should be in accord before approaching Government of United States again.

Will you kindly consult Ambassador?

BARCLAY

312. *Governor General to Colonial Secretary*

PARAPHRASE OF TELEGRAM Ottawa, November 7, 1917

My Government request that H.M. Government will telegraph instructions to H.M. Chargé d'Affaires at Washington to submit to Canada the fresh draft of proposed Reciprocal Military Service Convention which H.M. Government sending to Embassy.

DEVONSHIRE

313. *Prime Minister to High Commissioner in United Kingdom*

TELEGRAM Ottawa, November 7, 1917

Your cable third November. War Committee have carefully considered situation. Unless you have valid objections they consider Fifth Division should be broken up without delay and infantry thereof absorbed into reserve battalions. Please cable decision.

BORDEN

314. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, November 10, 1917

It is understood that His Majesty's Government are unable to accept draft convention between U.S.A. & His Majesty's Government for enforcing provisions of compulsory military service in respect of British subjects of Canadian birth or domicile, resident in U.S. and U.S. citizens resident in Canada, although approving of principle. My Government are not yet aware of forms of British draft now on its way to Washington, meanwhile they consider that His Majesty's Government should be informed of proposals submitted here looking to arrangement of a convention or *modus vivendi* between Canada and U.S. Government in view of exceptional local conditions existing with regard to those two countries abutting upon each

other throughout whole width of the continent. There is utmost freedom of intercourse, both as regards residence, domicile and ordinary traffic between these two countries, but the domestic laws of the two countries as regards military service are essentially different; the classes subject to call do not correspond and consequently it is very difficult if not impossible to make reciprocal provisions which will operate with justice and equality, or without causing considerable dissatisfaction. It is possible that draft proposal to be submitted by H. M. Government will not provide for the special situation existing between Canada & U.S.A. any better than U.S.A. draft in which case they will not satisfy Canadian requirements. It is thought that the Military Service (Conventions with Allied States) Act 1917 which is presumably legislation thought to conflict with acceptance of the U.S. draft convention would not affect the power of H.M. Government to conclude a convention or *modus vivendi* limited in application to Canada and U.S., imposing mutual liability to military service; such convention to be sanctioned for Canada by Parliament or Governor General in the execution of local powers with which British Act referred to above does not conflict. Negotiations to this end can be most conveniently conducted at Washington through H.M. Ambassador in consultation with Canadian authorities. It is suggested that instructions to this end may be given to H.M. Ambassador. Character of proposals substantially provide that citizens of U.S. resident or being in Canada and British subjects of Canadian birth or domicile resident or being in U.S. shall be subject to laws of the country in which they reside or are, if or in so far as they are not called up for service in the country of their allegiance, that is to say, provision is to be made for the local situation upon general principle of liability according to laws of country of residence subject to immunity for a reasonable time within which men called by country of their allegiance should respond or be deported, and with a limited right of election whereby men qualified or acceptable may serve in the military forces of the country of their allegiance rather than those of the country of their residence. Despatch follows by mail.

DEVONSHIRE

315. *Prime Minister to High Commissioner in United Kingdom*

TELEGRAM Ottawa, November 12, 1917

CONFIDENTIAL. From Ballantyne. Please see cablegram from Colonial Secretary seventh November re shipbuilding. Question has been fully considered and Government here regard it of vital importance that in the matter of shipbuilding there should hereafter be greater measure of co-operation between themselves and His Majesty's Government. Briefly my view is that all orders for the construction of ships for His Majesty's Government in Canada should be placed through Marine Department. The financial situation makes it difficult for us to state definitely the extent, if any, to which it could assist, but we are prepared to assume as large responsibility as may be found possible.

If His Majesty's Government will entrust to us the placing of all orders for ships we will, without cost to them, provide the services of a competent organization to supervise all contracts placed and see that they are efficiently executed.

The chief difficulty to be anticipated in the carrying out of a shipbuilding programme is the securing of supplies of plates and shapes. We are now negotiating with steel interests for the early establishment of a mill for the rolling of plates and shapes. If we were in a position to hold out a sure prospect of orders for plates covering a few years, these negotiations, I am persuaded, would result in success.

From the point of view of helping the Government, as well as in the general interest, the establishment of this industry is of the utmost importance. It is equally important that the Government should be associated as directly as possible with the construction of any ships here by His Majesty's Government. The Prime Minister suggests that you should at once endeavour to ascertain informally whether His Majesty's Government would entertain the policy of co-operating with us along the lines indicated and entrust to us the carrying out of any shipbuilding programme that they may be able to place with Canadian firms, instead of having the work done by Munitions Board. This would enable us to become a factor in shipbuilding, and would, moreover, enable us to get early action on the establishment of plate and shape mills. If you should discover that they would be prepared to entertain a policy of this kind, formal negotiations will be commenced at once. I cannot too strongly emphasize the urgency and importance of early and successful action.

BORDEN

316. *Colonial Secretary to Governor General*

TELEGRAM London, November 20, 1917

With reference to your despatch October 3rd, No. 708, as regards countries with which His Majesty's Government have already concluded or hope to conclude Military Service Conventions, namely: Russia, France, Italy and United States. Convention with Russia would be necessary to give effect to wishes of your Ministers. In view of article fourteen, Anglo-Russian Commercial Treaty of January 12, 1859, not considered desirable to approach Russian Government under existing circumstances. As regards France, Italy, His Majesty's Government will approach Government of France and Government of Italy for their consent to enactment of proposed legislation, such consent strictly not necessary, as French and Italian nationals in Canada have no treaty rights as to exemption from military service, but Secretary of State for Foreign Affairs considers it desirable to obtain concurrence of the two Governments. It is possible, however, both Governments may desire that their local representatives in Canada should have right to exempt their nationals from military service in Canada, and that they may require that

British subjects ordinarily resident in Canada shall be liable to military service in France, Italy. As to convention with France, see my despatch 7th November, 560. As regards United States of America, will reply to your telegram 10 November as soon as possible. In meantime, His Majesty's Ambassador at Washington has been instructed to submit to your Government, copy of Draft Agreement with United States, as requested in your telegram 7th November. As regards approaching other Governments, Secretary of State for Foreign Affairs suggests that other arrangements for compulsory enlistment of aliens in Canada should be limited to states with which His Majesty's Government may have concluded military service conventions, except possibly Belgium and Serbia, with which conventions not in contemplation because they are not in a position to reciprocate. Matter will be further considered however, on receipt of views of your Ministers as to states to whose nationals proposed legislation should apply. In case of Japan convention will be necessary in view of Article 11, Commercial Treaty, April 3rd, 1911.

LONG

317. *Colonial Secretary to Governor General*

TELEGRAM London, November 29, 1917

MOST URGENT. Your telegram November 21st and your telegram November 10th. His Majesty's Government agree that most convenient course will be that there shall be special arrangements to be negotiated through H.M. Ambassador at Washington in consultation with your Government regulating liabilities to military service of United States citizens in Canada and of Canadians in United States of America. In order that this may be done it will be necessary to exclude Canadians from Convention with United States under Military Service Conventions with Allied States Act which it is hoped will be signed very shortly. Question arises as to definition of classes of persons so to be excluded. These are as described in your telegram November 10th as British subjects in United States of "Canadian birth or domicile". Desirable to avoid use of word "domicile" which is causing considerable difficulty and inconvenience in connection with Act referred to above and proposed instead to speak of British subjects "ordinarily resident" in Canada. As regards British subjects of Canadian birth it is necessary, in view of terms of same act, that cases of persons who though born in Canada are ordinarily resident in some part of British Empire such as Ireland where compulsory military service is not in force, should be dealt with under proposed Convention so that such persons shall receive certificates of exemption. It should be also remembered that self-governing Dominions who have adopted or may adopt compulsory military service may also wish that arrangements should be concluded with United States of America regulating liability to military service of British subjects in United States of America ordinarily resident in their territory. British subjects in Great Britain ordinarily resident in Dominions are, it will be remembered, not liable to

military service under our military service acts. In these circumstances proposed after consultation with Law Officers of the Crown to include following Article in Convention with United States: "A special arrangement being in contemplation as to British subjects born in or ordinarily resident in the Dominion of Canada this Convention will not apply to British subjects in the United States ordinarily resident in Canada nor to British subjects in the United States born in Canada unless they are ordinarily resident in some part of British Empire other than Great Britain or Canada"; and will be glad to learn as early as possible whether your Government agree to insertion of above Clause as Government of United States is [pressing] for signature of Convention by end of November. In order to save time Article will be inserted in revised draft Convention which is being submitted to the United States Ambassador who will be informed that there has not been yet time to obtain concurrence of Canadian Government, but that H.M.G. will be glad if Government of the United States will take it into consideration in order that matter may be concluded as soon as reply received from Canadian Government. H.M. Ambassador at Washington is being instructed to open negotiations with United States desired by your Government as soon as concurrence of your Government in procedure proposed above has been received and United States have accepted Draft Convention.

LONG

318. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, December 12, 1917

Your telegram 29th November. Proposed reciprocal arrangement with the United States for compulsory military service. My Government observe with satisfaction that His Majesty's Government acquiesce in suggestion that special terms may be negotiated through His Majesty's Ambassador at Washington as affecting United States citizens in Canada and Canadians in the United States. My Government do not anticipate any serious difficulty in avoiding use of the word domicile. I have today communicated views of my Government to His Majesty's Ambassador at Washington. Despatch follows by mail.

DEVONSHIRE

319. *Minister of Finance to High Commissioner in United Kingdom*

TELEGRAM Ottawa, December 20, 1917

Please see the Chancellor of the Exchequer and ask his immediate consideration of the following. Canada's Victory Loan will realize about three hundred and sixty or seventy million dollars. Out of this I must pay one hundred millions to the banks for indebtedness. It will not be possible for me to make another issue until October or November of next year. We are

at present supplying twenty five million dollars a month for munitions and ships ordered by the Imperial Munitions Board here. The Canadian meat packers, manufacturers of canned pork and beans and other foodstuffs, and leather dealers are pressing me to set aside a portion of the Victory Loan to establish credits from which British Government may purchase their goods. If market is not found for Canadian meat products and canned goods factories must close down. My opinion is that we cannot continue to furnish credits for munitions and ships only as other interests mentioned must be considered in the credits we establish. Next summer the question will again arise of finding forty millions to purchase Canadian cheese. So far as I can see there is only one way of dealing with situation, namely, for us to establish an additional ten million dollar monthly credit to be provided through an arrangement whereby all Canadian purchases of sterling exchange should be made from the Dominion Treasury which would borrow from the Imperial Treasury in London the amounts necessary to make the sterling payments in London. This is the proposal which I recently brought to your attention. I cannot too strongly urge the importance of the Treasury giving immediate attention to the Canadian situation. Our farmers and others who have products to sell want to sell them and will not be content that the Victory Loan proceeds should go entirely for munitions and ships. Please point out strongly that Canada cannot find money wherewith all her products can be purchased. If we are to pay our interest and other indebtedness in Great Britain and United States we can only do so by selling our products outside Canada to an amount sufficient to meet such indebtedness. Please keep this matter continuously before Treasury until it is fully considered and an answer sent. It is vital both to the packing industry and agriculture that Canada's meat products be purchased. The position respecting the hog-raising industry is critical and it is idle for our Food Controller to urge the farmers to raise hogs unless a market is provided for their product. Inform Chancellor Exchequer of my desire that he give the whole question his personal attention.

WHITE

320. *Minister of Overseas Military Forces to Prime Minister*

TELEGRAM London, January 7, 1918

K.1. Regarding enquiry Perley Fifth Division, matter has received careful consideration by me. Imperials are considering advisability of reducing numerical strength of Divisions at Front and reorganizing whole Army. This influences our decision as to policy. As soon as I am notified Imperials decision will be able submit policy with my recommendations to you.

KEMP

321. *Administrator to Colonial Secretary*

TELEGRAM Ottawa, January 8, 1918

Following for Prime Minister from my Government. Begins. My Ministers have read with much gratification the report of the speech in which Mr. Lloyd George has recently defined, in clear and unmistakable language, the war aims of Great Britain and her Allies in the great conflict now pending. They are in cordial agreement with the principles enunciated by the Prime Minister as being those best calculated to restore and maintain the blessings of security and peace, and they re-affirm their determination to continue their whole-hearted support of the cause of liberty and democracy until the purposes for which the British Empire is fighting shall have been accomplished.

322. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, January 9, 1918

URGENT AND SECRET. Your telegram January 3rd. Military Service Convention with United States. Secretary of State for Foreign Affairs advises me that delay in signing convention is causing most serious inconvenience which may even affect relations between this country and United States. Difficulty felt by your Ministers in accepting proposed article No. 4 not clear to Secretary of State for Foreign Affairs. Effect of article No. 4 is merely to leave Canadian Government free hand to define class of British subjects to be dealt with by separate agreement to be negotiated by Canada and United States Governments through His Majesty's Representative at Washington which it is hoped may be negotiated before main convention has been approved by United States Senate and ratified at Washington. Secretary of State for Foreign Affairs strongly hopes that in these circumstances your Ministers will again take matter into their immediate consideration and agree to convention being signed in its (motive ?) form. United States Ambassador continues to press for signature and further delay much to be deprecated.

LONG

323. *Prime Minister to High Commissioner in United Kingdom*

TELEGRAM Ottawa, January 15, 1918

CONFIDENTIAL. B.20. Much dissatisfaction exists among Canadian workingmen because of presence in their midst of large number enemy aliens and allied aliens of Russia and other European nationalities both of which classes command large wages under present conditions. We are considering measures to deal with situation. Please secure from Imperial authorities and cable at earliest possible moment following information. First, general policy adopted by Imperial Government respecting compulsory and voluntary employment both classes aliens. Second, whether Imperial Government have adopted

compulsory labour in respect of either class. Third, what wages are paid for compulsory labour and for voluntary if these differ from ordinary rates. Fourth, whether it is considered that members of either class or British subjects liable to military service can be compelled to work in privately owned industrial plants or farms and if so under what conditions. Fifth, any suggestions as to method of dealing with situation here. References have recently appeared in press cables to certain proposals made by Minister National Service and First Lord Admiralty respecting employment of aliens in National shipyards but it is impossible to gather exact nature of proposals. Doubt is felt here as to propriety of compulsory labour especially in private establishments.

BORDEN

324. *Prime Minister to Minister of Overseas Military Forces*

TELEGRAM Ottawa, January 16, 1918

B.5. Your K.1 considered by Council. We understand that wounded men in considerable numbers have been returned to front for further service while men of fifth division have remained in England for year or more. If fifth division maintained under present conditions, troops now being despatched from Canada will be sent to front before fifth division employed. This condition has aroused warm criticism which it seems difficult to meet. Do not understand that any reorganization divisions at front can affect these considerations. Under circumstances hope you will give immediate consideration to views already expressed as to breaking up fifth division and absorbing it in reserve battalions.

BORDEN

325. *Order in Council*

P.C. 237 January 30, 1918

The Committee of the Privy Council have had before them a report, dated 28th January, 1918, from the Right Honourable the Prime Minister submitting for approval the accompanying draft Convention regulating the liability to military service of United States citizens in Canada and Canadian British subjects in the United States, which has been provisionally negotiated at Washington on behalf of Your Excellency's Government and the Government of the United States, and is initialled by the Deputy Minister of Justice and the Solicitor of the State Department at Washington.

The Prime Minister considering that the provisions of this draft afford a satisfactory working arrangement for the application of the laws of the respective countries recommends that the same be approved.

The Committee concur and, on the recommendation of the Right Honourable the Prime Minister, advise that Your Excellency may be pleased to cause a despatch to be sent immediately to the Right Honourable the

Secretary of State for the Colonies communicating the text of the said draft and requesting that His Majesty's Government proceed with the least possible delay to have the Convention executed and ratified.

All which is respectfully submitted for approval.

326. *Ambassador in United States to Governor General*

TELEGRAM Washington, February 19, 1918

Military Service Convention has been signed to-day.[1] Copy goes by post to you. Originals will be sent to London for ratification.

READING

327. *Minister of Overseas Military Forces to Prime Minister*

TELEGRAM London, March 23, 1918

K.54. See Ordinance continuance Overseas Ministry. Consider it very advisable have Advisory Council appointed. Suggest operative part Order as follows. Begins. Pursuant to Order in Council P.C. 2651, of 28th October, 1916 and the Ordinance therein referred to, there shall be a Council known as the Overseas Military Council of Canada whose function shall be to advise the Minister of Overseas Military Forces of Canada in matters relating to the control and administration of such of the Military Forces of Canada as from time to time come under his direction, its powers to be similar in character and scope to Militia Council, Department of Militia and Defence, provided for by Section 7 Militia Act. It shall consist until further orders of the holders from time to time of the following appointments, Minister of Overseas Military Forces, Deputy Minister, Chief of Staff, General Officer Commanding Canadian Forces British Isles, Adjutant General, Quartermaster General, Accountant General, Director of Medical Services, Chief Paymaster. The Council shall have power to determine and vary its own procedure. Ends. If approve please pass Order in Council on your own submission expeditiously as possible, mailing copies, cabling date and number.

KEMP

328. *Prime Minister to Minister of Overseas Military Forces*

TELEGRAM Ottawa, March 28, 1918

CONFIDENTIAL. B.44. Your K.54. Proposed Military Council has been under discussion and following considerations have been advanced. As you are aware main object of establishing Militia Council here was to do away

[1] The text of the Convention between Great Britain and the United States of America respecting the Liability to Military Service of Canadians in the United States and of United States citizens in Canada is to be found in the *British and Foreign State Papers*, Vol. CXI, 1917-1918.

with General Officer Commanding. Therefore, proposal to have both Chief General Staff and General Officer Commanding on Council seems questionable. There is apprehension that it would produce friction and destroy proper co-ordination. It is suggested for your consideration that you have Chief General Staff on Council and use General Officer Commanding Canadian Forces in British Isles as an Inspector General. Please report more fully concerning proposal have both Accountant General and Chief Paymaster on Council as former would seem sufficient. Suggest further that you consider advisability making Director General Medical Services associate member of Council rather than member, and also of appointment representative Overseas Forces in France as additional associate member. In view importance this proposal would it be possible delay decision until my visit to England when matter could be fully discussed.

BORDEN

329. *Colonial Secretary to Governor General*

TELEGRAM London, March 30, 1918

URGENT AND SECRET. Following from Prime Minister for your Prime Minister. Begins. The situation caused by enemy attack has now begun to clear. We have passed through a most critical time while the enemy was trying desperately to break up our army. Thanks to the wonderful tenacity and fighting power of our army, in which troops from all the Dominions have played a conspicuous and invaluable part, this primary intention of the enemy was frustrated. We have now good hope of being able to gradually bring his present effort to a standstill, but we may possibly lose Amiens. The near future will show whether or not he will be able to reach that place. If he succeeds in doing this the military situation will be very grave. In any case having undoubtedly proved his capacity to break through the western front on a wide front it is certain that his military command, if it is unable to obtain all that it aimed at in this battle, will immediately begin to refit its army for another blow at the earliest possible moment. The whole military future will depend upon our being able to refit and maintain our armies in time. If we do not succeed in doing this it will give him the chance of delivering that knock-out blow with which the German leaders hope to win the war. Looking past the immediate battle, therefore, the fundamental problem before us is man-power.

Our losses up to the present in only a week's fighting are about one hundred and twenty thousand men and all trained and partially trained reserves in this country will be used up in making this good. We are, therefore, taking immediate opportunity to raise fresh troops by raising the military age to fifty, and taking boys of eighteen, and by making another large comb-out of industry, which will cause the greatest dislocation and hardship to our industries. We are also prepared to face trouble in Ireland because we feel it is vital that we should be able to prove ourselves stronger than the Germans

this summer. By this means we hope to obtain a reinforcement between four and five hundred thousand men for our army. Finally, we are asking the American Government to send over immediately as much of their army as can be transported across the Atlantic in order to keep the Allied armies up to strength during the critical months of May, June, and July before our new forces are sufficiently trained for use in France and when we may expect the enemy to attempt his second blow.

We trust your Government will do its very utmost to get as many men to Europe as they possibly can in the shortest possible time to make good the heavy casualties which the forces your Dominion must undoubtedly have suffered, and if possible to increase these forces. All the Dominions and yours amongst them have done splendidly in this battle but assuming that we can stay the enemy's present effort the issue of the war will depend whether the Germans or the Allies are the first in making good their losses. The Germans will certainly not delay an instant. They have the man-power with which to do it, and they have the Austrians in reserve. If we all do our utmost, I have no doubt we can make it impossible for them to succeed. But we have no time to lose.

By separate cable I am sending a message for publication supplementing the official *communiqué* issued to-night.

LONG

330. *Governor General to Ambassador in United States*

TELEGRAM Ottawa, April 2, 1918

My Ministers are desirous to ascertain what present position is with regard to Military Service Convention between Canada and United States, which Deputy Minister of Justice negotiated on behalf of Canadian Government, with State Department at Washington last January and which, subject to some unimportant changes, His Majesty's Ambassador, Washington, by telegram February 19th, informed Canadian Government had been signed on that day, and would be sent to London for ratification. No further information has been received either from Embassy or Colonial Office. This Convention is very important instrument in recruiting operations, and much valuable time was lost in early negotiations which were carried on, partly in Washington and partly in London, but which were only brought to conclusion by direct intervention of Canadian Government. It is important that further avoidable delay should not be suffered to take place. If there be any impediment to ratification of treaty, Canadian Government are of opinion that they should be so informed, so that they may have opportunity to consider and take such measures as may be necessary to overcome difficulty, while on the other hand, if no fresh obstacle has developed, it seems remarkable that ratification is subject to so much delay.

DEVONSHIRE

331. *Minister of Overseas Military Forces to Prime Minister*

TELEGRAM London, April 2, 1918

Your B.44. Difficult to convey to you in cable situation which necessitates forming Military Council. I have no hesitation in recommending that Council with advisory powers only should be organized without any further delay. Matter has been under very careful consideration for more than three months and has been carefully considered with principal officers here and in France. Delay in advising you—reasons by mail owing to [necessity] first securing consent and moral support officers here and in France. Organization which existed after an Overseas Minister was appointed and up to present time must be considered as tentative although a step in advance. I discovered soon after arriving that there was friction between Corps Commander and our Liaison Officer who represented Minister in France also between the former and G.O.C. London. Besides this there was absolute lack of co-ordination between different important branches which led to inefficiency and perhaps what is of more importance there was lack of appreciation of what is understood by constitutional methods as against military control. After three months of persistent effort I feel that views of officers have somewhat changed for the better in this respect. Turner was appointed G.O.C. troops in British Isles. He brought with him from France, naturally, the idea of absolute military control whilst as matter of fact situation in England I am convinced is civil as well as military and more nearly approaches conditions which exist in Canada with respect to military matters. Canada has upwards of fifty thousand troops in France outside of Canadian Corps consisting chiefly of hospital personnel, forestry, railway construction, tunneling units, cavalry, records office, paymasters, reinforcements camps, etc. Corps Commander has no control over these units nor is it desirable that he should. G.O.C. British Isles has misgivings as to whether he has any control. There are daily communications passing headquarters and corps. There are questions of policy to be considered and decided with reference to matters which affect the corps. Commander claims he is entitled to feel that such matters have had the consideration subject to proper military advice of Minister. On other hand G.O.C. British Isles feels that he should not be asked to communicate with Currie on matters of policy as though they were his own views. It is most desirable that we should maintain our forces in France as far as possible as an entity that they should not be absorbed into British units and lost sight of and their effort unrecognized and unrecorded in Canada. Whole matter has caused me great anxiety. Officers holding high commands have suggested that their resignations might be forthcoming. Such action I considered inadvisable feeling that breaches should be healed and difficulties overcome rather than service of valuable officers should be lost to Canada at such a critical time. Question of Military Council is only one of many things that are necessary with view of bringing about better understanding. I have approached War Office and I feel that they will consent to any

reasonable concessions we may ask assuring Canada complete control over administration of our own forces outside military operations which is a part of our present scheme. I also had General Haig's assurance that he would do all possible and he invited me come and see him again when we had our plan perfected. The object of our reorganization is to bring about greater efficiency and do away if possible with petty intrigue, uncertainty and suspicion which have been current. Some improvement has to be made otherwise I would not like to predict what may happen. Matter has been carefully gone over with officers and they have practically agreed to new policy which includes Military Council being adopted. Currie came here recently for purpose of having final discussion of situation and meet my Deputy Minister and all the staff officers in my presence and agreed to plan we had decided upon. To postpone matter of forming Council under present circumstances, now that minds of all concerned are practically agreed and more on a line with civil as well as military control, would be most unfortunate if not disastrous. Bear in mind that Council is advisory only. It relieves Minister practically of no responsibility but it will be of much assistance to him and his Deputy Minister and all concerned in forming substantial organization to deal with important problems which otherwise are dealt with unfortunately by individual judgment and assist in bringing about co-ordination of work of different administrative branches in London which are unavoidably in six different localities separated from one another in some instances by two or three miles. It will also be of advantage in providing continuous record proceedings on questions of importance which is now lacking. If there is any other method of overcoming very many difficulties some only of which I have referred to that present themselves here I would be glad to have suggestions. Question as to whether or not certain officers should be members Council is comparatively of small importance. So far as General Officer Commanding British Isles is concerned he will occupy position Chief of Staff not General Staff as you have it. Suggest Chief Paymaster be made associate member Council but think Accountant General should be member also Director Medical Services as he has great responsibility his branch involving expenditure vast sums money and touching other branches at various points. Appointment on Council of representative overseas forces in France has been carefully considered. It is desirable for present to postpone this for further consideration. I strongly recommend that you pass Order in Council and consider it tentative in sense that whole matter can be reviewed and any necessary amendments made after you arrive here and matter has been fully considered. Order as submitted should be amended by striking out word[s] General Officer Commanding British Isles and Chief Paymaster and adding word[s] with Chief Paymaster as an Associate Member.

KEMP

332. *Order in Council*

P.C. 815 April 4, 1918

WHEREAS it is necessary to enact such regulations as will utilize to the best advantage the human energy of Canada for purposes essential to the prosecution of the present War;

AND WHEREAS the need of men of military age to provide reinforcements for the Canadian Expeditionary Force, and the equally urgent need for labour to assist in the production of food and of other articles essential for war purposes, necessitate special provisions to the end that all persons domiciled in Canada shall, in the absence of reasonable cause to the contrary, engage in useful occupations under the regulations hereinafter set forth;

AND WHEREAS the Minister of Agriculture is impressed with the necessity of enacting forthwith the regulations hereinafter set forth, which in his opinion will greatly assist in rendering available for the purpose of production labour which otherwise might not be secured;

AND WHEREAS the Minister of Militia and Defence also fully concurs in the enactment of such regulations;

AND WHEREAS these regulations are not intended to affect any right of members of organized labour associations to discontinue their work in the employment in which they have been engaged when such discontinuance is occasioned by differences actually arising between the employer and the employed. The purpose is to prevent persons capable of useful work from remaining in idleness at a time when the country most urgently requires the service of all human energy available.

HIS Excellency the Governor General in Council, on the recommendation of the Right Honourable the Prime Minister and under the powers vested in His Excellency in Council under the War Measures Act, 1914, and under all other powers His Excellency in Council thereunto enabling, is pleased to make the following regulations and the same are hereby made and enacted accordingly:

REGULATIONS

1. Every male person residing in the Dominion of Canada shall be regularly engaged in some useful occupation.

2. In any proceeding hereunder it shall be a defence that the person is,

(*a*) Under sixteen years or over sixty years of age.

(*b*) A bona fide student proceeding with his training for some useful occupation.

(*c*) A bona fide student in actual attendance at some recognized educational institution.

(*d*) Usually employed in some useful occupation and temporarily unemployed owing to differences with his employer common to similar employees with the same employer.

(*e*) Physically unable to comply with the provisions of the law as herein enacted.

(*f*) Unable to obtain within reasonable distance any kind of employment which he is physically able to perform at current wages for similar employment.

3. Any person violating the provisions hereof shall be guilty of an offence and shall be liable on summary conviction before a Magistrate to a penalty not exceeding One Hundred dollars and costs, and, in default of payment, to imprisonment with hard labour for a period not exceeding six months in any common gaol, or in any institution or on any farm owned by a municipality or province and declared by by-law or Order in Council respectively to be a public institution or farm for the purposes of this law, which said institution or farm, for the purpose of this law, shall be a common gaol.

4. Where the proceedings in any case in which a fine is imposed under the authority hereof are instituted at the instance of any municipality or by any officer of a municipality, the fine shall be paid to the treasurer of such municipality; and where such proceedings are instituted at the instance of or by any provincial officer, such fines shall be paid to the provincial treasurer; and where such proceedings are instituted within a municipality by any other person, the fine shall be paid in equal portions to the treasurer of the municipality and the treasurer of the province; and where the place in which such proceedings are instituted is not within the boundaries of any municipality, the fine shall be paid to the provincial treasurer; and where the proceedings are outside the boundaries of any province, the fine shall be paid to the Receiver General of Canada.

5. Useful occupation and reasonable distance shall be questions of fact to be decided by the Magistrate.

6. The Magistrate may hear and consider other defences than those mentioned in Section two.

7. "Magistrate", shall include Justice of the Peace, and Police Magistrate appointed by Provincial or Dominion authority.

333. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, April 5, 1918

SECRET. VERY URGENT. Following for your Prime Minister from Prime Minister. Begins. Please send me brief summary of manner in which application of Conscription Act to Quebec Province has worked out in practice as soon as possible. I am particularly anxious to know whether, apart from the troubles in Quebec City, there has been any difficulty in getting the men, and if so how it has been dealt with. How have applications for exemption been dealt with and what number have you been able to make actually available, since Act came into operation, compared with quota. As a guide to analogous situation in Ireland any experience you may have gained may be very valuable.

LONG

334. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, April 5, 1918

SECRET. VERY URGENT. Following from Sir Robert Borden for Prime Minister. Application of Conscription Act to Quebec Province has worked out in practice as follows: The Act provides for local tribunals to which applications for exemption may be made. From their decision an appeal may be taken to a judicial tribunal within the Province. From these tribunals an appeal lies to a final appellate tribunal at Ottawa. The local tribunals in Quebec granted exemptions by wholesale. The military representatives of the Government asserted about forty thousand appeals from such exemptions. Some twenty thousand of these appeals have been disposed of by the Provincial appellate tribunals, and, in the majority of cases, the exemptions have been maintained. The military representatives of the Government have appealed to the final tribunal at Ottawa and these appeals are coming forward rapidly to this tribunal which, under the provisions of the Act, will be strongly reinforced in order that appeals may be disposed of expeditiously. At the urgent request of the Minister of Justice, who is charged with the administration of the Act, the courts of Quebec have put aside all civil business and are disposing of the remaining twenty thousand cases with all possible expedition. In Montreal for example they are being determined at the rate of two thousand per week.

It is anticipated by the Military Service Council that very substantial results will be attained in Quebec within the next four weeks. The difficulties in enforcing the act in Quebec, and the failure up to the present to obtain more than five thousand men from that Province under the act, are due, in the first place, to the passive opposition of almost the entire population, which created the necessity of an enormous number of appeals; and, in the second place, to the custom of early marriages in that Province, from which resulted a smaller proportion of unmarried men between the ages of twenty and thirty-four than in the other Provinces. There has been no forcible resistance except in the city of Quebec, and the situation there is thoroughly in hand. The French Canadian conscripts in the regiments at Quebec conducted themselves with most admirable steadiness, discipline and loyalty. When once the French Canadians are enlisted there will be no finer fighting regiments in the battle line. Total enlistments in all Provinces since conscription enforced are thirty-two thousand, of whom five thousand have been apprehended by Federal officers for failure to report for duty. Of the total five thousand apprehensions more than one thousand have taken place in the Province of Quebec. Besides the thirty-two thousand enlisted in Canada we have enlisted eighteen thousand in the United States, making a total of fifty thousand since October First. The number of men despatched overseas, during seven months from first October to thirtieth of April instant will be about forty seven thousand. The total enlistments in Canada, under Conscription Act, during past seven weeks, have been sixteen thousand, or at the rate of nearly ten thousand per month.

335. *Order in Council*

P.C. 885 April 11, 1918

The Committee of the Privy Council have had before them a report, dated 10th April, 1918, from the Right Honourable the Prime Minister, submitting that after careful consideration, and with the advice of his military advisers in France and England, the Minister of the Overseas Military Forces of Canada has recommended in order to bring into closer co-operation the different branches of the administration of the Overseas Canadian Forces, that an Advisory Board to be named the Overseas Military Council and which shall act as a purely advisory Committee to the Minister of the Overseas Military Forces of Canada, be organized.

The Prime Minister, therefore, recommends that having in view the welfare of the Canadian Expeditionary Forces, a Council to be designated the Overseas Military Council be authorized and constituted as follows:

Chairman,

The Minister of the Overseas Military Forces of Canada.

Vice-Chairman,

The Deputy Minister of the Overseas Military Forces of Canada.

Members,

A Chief of Staff
An Adjutant General
A Quartermaster General
An Accountant General.

Associate Members,

The Director of Medical Services
A Chief Paymaster.

The Prime Minister further recommends that the selection of the officers to fill these appointments, be left to the discretion of the Minister of the Overseas Military Forces of Canada, and that such officers as may be selected, shall be entitled to the pay, and the field and other allowances of their rank, or such other staff emoluments as are provided for such officers in the Canadian Expeditionary Forces.

The Committee concur in the foregoing recommendations and submit the same for approval.

336. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, April 16, 1918

SECRET. Your telegram April 8th respecting diversion of shipping has been carefully considered by my advisers. They regret the necessity of recording their opinion that the failure to consult them respecting the proposed arrangements is not satisfactorily explained and indeed is not explained at all. In view of this they hope that they may have an explicit assurance that in respect of matters so vitally concerning this country His Majesty's Government will

not proceed upon the principle of deciding first and consulting the Canadian Government afterwards. Unless a definite understanding to this effect is reached without undue delay my advisers will consider it their duty to make a frank disclosure to the Canadian Parliament and have the whole situation reviewed. . . .[1]

DEVONSHIRE

337. *Minister of Overseas Military Forces to Prime Minister*

TELEGRAM London, May 16, 1918

K.115. For some time past we have given considerable attention to formation distinctively Canadian Air Force. Matter is still under consideration with British authorities. Expect definite conclusion soon. Plan will not involve very large expenditure. Am also asking to have representative on Air Board in view large number Canadians in Royal Air Force.

KEMP

338. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, May 28, 1918

Referring to your despatch April 30th, No. 196. My Ministers represent that if Government of Italy would acquiesce in arrangement whereby Italian citizens of military age in Canada who are not deported under Order in Council November 27th may be made liable to serve in local forces under local laws, that will be satisfactory.

DEVONSHIRE

339. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM Washington, June 4, 1918

SECRET. Canadian Recruiting Convention was provisionally signed this morning subject to receipt of your assent to the two following amendments, in view of Mr. Lansing's departure from Washington.

1. The alteration of military age for Canadians in the United States to twenty—forty-four both inclusive.

2. Article 1, A. Insertion after words "were ordinarily resident in Great Britain or Canada" of words "or in any other part of His Majesty's Dominions to which compulsory Military Service has been or may be hereafter by law applied".

3. Proviso to Article 1. Last clause to run thus; "and in respect to Americans in Canada ages for Military Service shall be ages specified in laws of United States prescribing compulsory Military Service." In view of possibility of United States military age being raised this is more elastic.

This morning British Convention was definitely signed.

READING

[1] Through Perley, Borden asked Lloyd George to give this telegram "personal consideration".

340. *Note from Prime Minister of United Kingdom to Dominion Prime Ministers*

MOST SECRET AND PERSONAL Downing Street, June 13, 1918

In view of the discussion this morning, Thursday, June 13th, and the general desire expressed for more information in regard to the Passchendaele offensive last year, I think that the Prime Ministers of the Overseas Dominions are entitled to know the reasons why the Government sanctioned the Flanders offensive last summer, in order that they may satisfy themselves that the attendant circumstances were fully investigated before a final decision was taken. I therefore circulate herewith a copy of the Report of the Cabinet Committee on War Policy[1], on which the War Cabinet based their final decision. It will be observed that the Government felt considerable misgivings about this operation, but were not prepared to overrule their military advisers in regard to the strategy of the war. In this connection I think that the Prime Ministers of the Dominions would also be interested to read the actual statement which I, as Head of the Government, made to Field Marshal Sir Douglas Haig and General Sir William Robertson before they gave their final advice in favour of this offensive, and I therefore circulate in addition, the Secretary's Notes of the 10th Meeting of the Cabinet Committee on War Policy.[1]

[D. LLOYD GEORGE]

341. *Memorandum by Prime Minister*

SECRET London, June 15, 1918

We arrived in London at three o'clock on Saturday the 8th instant and were met by Kemp and Perley and by representatives of the British Government. That evening I had a long talk with Kemp as to the Overseas Force and I realise more fully than before the great difficulties with which he has contended and the really fine results which he has accomplished.

Sir Clifford Sifton, who called on me a few days afterwards, and who was much concerned as to the conditions of the organisation here, told me that Kemp has managed wonderfully well and that his administration has been good.

On Sunday we took up work of immediate urgency; and in the afternoon I attended a Memorial Service at St. Columba (Church of Scotland). There was a very representative gathering and about two hundred Canadian soldiers were present whom I inspected after the service.

On Monday I had an interview with Long as to the arrangements for the Conference and, in the afternoon, a long interview with Lloyd George as to the military situation and the work of the Cabinet. On that and other days I also discussed the military situation with General Smuts.

[1] Not printed.

We attended the first meeting of the Cabinet on Tuesday and the Prime Minister made a very important and impressive statement which did not minimize the difficulties and even the danger of the present situation. By reason of information which reached me from various sources I thought it desirable to send for General Currie who came to town on Wednesday and with whom I discussed the campaign of last year, and especially the German offensive during the past three months. The report which he gave me was very depressing and I am convinced that the present situation is due to lack of organization, lack of system, lack of preparation, lack of foresight and incompetent leadership. If the British Army Corps had made the same preparation to meet the German offensive as did General Currie and the officers and men of the Canadian Forces, the German offensive could not possibly have succeeded as it did. Their losses would have been so appalling that they would have been obliged to stop. The British offensive of last year was obviously a mistake. Robertson and Haig urged it against the protests of the Cabinet. I have read the records of the Cabinet meeting of 21st June, 1917, at which Lloyd George examined with great ability the reasons pro and con and stated the opinion of the Cabinet that no such offensive should be undertaken. He said, however, that they must be guided by their military advisers and would defer to them if, after hearing all that was urged, they still thought the offensive should be undertaken.

It will be remembered that the Canadians took Passchendaele at a cost of 16,000 men. At the end of the offensive Currie tells me, and I believe he is right, that it had no useful result, as the British Army immediately went on the defensive and the campaign ceased for the year. No advantage in position was gained and the effort was simply wasted.

Currie reports that the conditions in front of Passchendaele, when the Canadian Corps were ordered to take it, were simply indescribable. I cannot enter into the particulars which I placed before the War Cabinet on Thursday, but when you hear them you will realize that we are being defeated by our own methods.

The Canadian Army Corps is admittedly the most formidable striking force in the allied armies. Probably it is the best organized and most effective unit of its size in the world today. It has come on wonderfully since last year and this is due not only to the courage, resourcefulness and intelligence of the men, but to the splendid and unremitting work of the officers, and to Currie's great ability. I believe he is the ablest Corps Commander in the British Forces; more than that I believe he is at least as capable as any Army Commander among them.

To give you an example of what work will accomplish and what casual indifference and indolence will leave undone; the Canadian Corps put out last autumn and winter 375,000 yards of barbed wire entanglements by which every trench and all supporting trenches were thoroughly protected. These entanglements were co-ordinated with machine-guns skillfully placed and concealed and strongly protected. At a conference between Currie and three

other Corps Commanders, one of them, Portuguese, said that he had put out no barbed wire; one of the British Corps Commanders said that he had put out 30,000 yards, and the other Corps Commander had put out 36,000 yards. Another British Officer told Currie that his Corps had no barbed wire protection on any such scale as the Canadians and that the men were employed in laying out lawn tennis courts.

It appears that the younger members on Haig's staff recommended, in November last, that ten Corps Commanders should be dispensed with and replaced. They were kept on during the winter and about the time the offensive began eight of them were relieved. The British higher command believed that the Germans would not undertake an offensive. Three days before it began the Chief Intelligence Officer gave the Canadian Corps a tip that they need not expect an offensive from the Germans. Currie told me that the reports of the Chief Intelligence Officer at British Headquarters were so useless and misleading that when he recognized the signature he always tore them up and threw them into the waste-paper basket without reading them.

Of course there are many British Divisions well organized, highly trained and competently led, but there are enough otherwise to enable the Germans to strike, and the Germans always know just where to strike.

At Passchendaele last autumn, Currie refused to fight under Gough as he considered him incompetent.

I went into all these and many other matters on Thursday in the War Cabinet and although I spoke with restraint I did not mince matters. Apparently I gave no offence as Lloyd George told me it was a memorable speech and gave me his congratulations, as did Walter Long and other Ministers. All the representatives of the Overseas Dominions who were present expressed themselves, either openly or privately, as grateful for the service that I had done in taking up the matter and speaking plainly.

The discussion was continued yesterday at noon and it is to be resumed next week when Hughes will be present. He arrives, I believe, this afternoon.

In the Conference we have had merely a preliminary meeting and we begin our real work on Monday.

I saw Professor McLennan of Toronto yesterday. He told me of some of the work which he has accomplished. It is a remarkably fine and really wonderful application of scientific methods to meeting the submarine menace and already one of his inventions, which was laughed at at first, has so thoroughly proved its usefulness that it is being employed in every place where conditions will permit.

One could almost weep over the inability of the War Office and even of the Admiralty to utilize the brains of a nation at a time when brains are most needed. At the War Office they restricted brilliant men who enlisted in the new Army to the rank of Brigadier General in order that professional soldiers might not have their careers interfered with. I attacked this in the Cabinet on Thursday and said that it amounted to scrapping the brains of the nation at a time when they were most needed.

[Robert L. Borden]

342. *Governor General to Colonial Secretary*

Ottawa, June 21, 1918

TELEGRAM

With reference to your telegram 17th June. Military Service Convention Italy and Canada. My Ministers represent that your suggestion that this agreement should take form of convention between two Sovereigns as proposed in case of Belgium, will be quite acceptable to Canadian Government, subject to provision such as that suggested for Belgium designed to fix liability unconditionally upon Italian subjects who remain in country after expiry of their optional period of sixty days.

DEVONSHIRE

343. *Governor General to Colonial Secretary*

Ottawa, June 21, 1918

TELEGRAM

Your telegram June 10. My Ministers represent that it is not desired to conscript Belgians in Canada who are outside Canadian military age, limits of which as at present fixed, are from nineteen to forty-four years inclusive. It is not considered, therefore, that there is any room for difference upon question of age, provision with regard to which is satisfactory. Stipulation that liability of Belgian subjects to Canadian military service should depend upon proof of summons from competent authority is attended with practical difficulties, and suggestion that they should register at Belgian Consulate nearest to their homes does not assist with regard to those who have not registered. There would certainly be no objection on part of this Government to afford any person pleading Belgium nationality an opportunity to notify nearest Belgian Consul but for practical project of obtaining for Canadian service those Belgians of military age in country who have not volunteered or undertake service with Belgian Forces, Minister of Justice hopes that His Majesty's Government will be able to obtain modification of Article 1 expressed as follows:

> Every male Belgian subject in Canada who was born after 30th June 1876 and before 1st January 1900, and who is not exempt from military service by law of Belgium shall, if he do not become incorporated in Belgian army within 60 days after date of exchange of ratifications of this Convention, become liable to service in Canadian Army.

Stipulation of this sort would, Minister of Justice submits, afford reasonable opportunity for those Belgians who wish to return to their own country for service, while at the same time avoiding any unnecessary obstacle in way of proof or condition, to compulsory Canadian service as against those who do not take advantage of their opportunity to serve under their own flag. As matter urgent, please expedite reasonable agreement with Belgium as soon as possible.

DEVONSHIRE

344. *Colonial Secretary to Governor General*

TELEGRAM London, July 4, 1918

Your despatch June 8th, 509. Government of France has been informed by French Consul General at Montreal that overtures which they have made to your Government, with a view to application of [*sic*] French *insoumis* and deserters of Canadian Order in Council of November 27th last, have been declared irregular on ground that your Government are negotiating with Imperial Government with a view to conclusion of Military Service Convention with France. French Ambassador calls attention to Foreign Office note of May 20th enclosed in my despatch June 3rd, 232, and observes that it would not seem that there could remain any Frenchmen liable to be enrolled in Canadian Army after Order in Council of November 27th has been put in force, but that in any case there seems no reason to delay application of Order in Council. Would be glad of observations (?) of your Ministers. Subject to their concurrence, it is proposed to reply that your Government are ready to take action at once under Order in Council, but would be glad to learn that Government of France will agree to any French citizen who may not be dealt with under Order in Council, by a date to be agreed upon, being made liable to service in Canadian Army.

LONG

345. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, July 12, 1918

Referring to your despatch of June 14, No. 254. Proposed military agreement. Belgium and United States. Minister of Justice represents that arrangement between Canada and Belgium upon lines of these proposals for United States would not be unsatisfactory. It is suggested here that age limits within which Belgians within Canada may be conscripted for purpose of Convention, should be fixed at 19 to 44 years, both inclusive, these being limits within which, according to present Canadian regulations, law may be applied as against British subjects residing in Canada. Military authorities here, who have had matter under consideration, share opinion that Belgian draft proposals to United States may be substantially accepted.

DEVONSHIRE

346. *Prime Minister to Acting Prime Minister*

TELEGRAM London, July 12, 1918

For Newcombe. Draft Military Service Conventions as settled with Canadian Government have been submitted to Italian and Belgian Governments who are being pressed for reply soon as possible. As regards France present position is explained in telegram to Governor General 4th instant. As regards

Greece Colonial Office have been waiting reply from Governor General to an enquiry as to steps which should be taken. Colonial Office state that question of negotiating a separate convention as between Canada and Greece is now under consideration here. Importance of reaching early conclusion in each case has been impressed (?) upon authorities here.

BORDEN

347. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, July 20, 1918

SECRET. With reference to the proposals contained in the memorandum handed to General Mewburn regarding which he telegraphed, it is believed to C.G.S. Ottawa, with reference to provision to be made by Dominion of Canada of certain troops for service in Vladivostock. The following proposals are put forward for the concurrence of the Dominion Government:

1. The Expeditionary Force to consist of a mixed brigade which will be constituted as follows, Headquarters for brigade of Infantry. One battery (18 pounders) Field Artillery (equipment of this battery to be supplied from Great Britain). One field company Engineers. One Signal Section Engineers. Three battalions of Infantry. One Machine Gun Company. One Brigade Field Ambulance. One Brigade A.S.C. unit (transport and supply). One Ammunition Column for the battery and for the S.A.A. for above force. Of the above troops all will be provided by the Dominion with the exception of one battalion of Infantry (25th Middlesex) which will be sent to Vladivostock from Hong Kong and China. At the same time as it may be considered desirable to withdraw the 25th Middlesex the Army Council will be glad if the Dominion Government will bear in mind the possibility of being required to furnish a third battalion to take its place if it should be found necessary. It is to be noted that the Field Company Engineers was not included in the official memorandum mentioned above, but it is now considered important that it should be included in the force. The two battalions of Infantry should be accompanied by base company and 10% reinforcements.

2. For the purpose of operations this force will be under the War Office to whom all reports will be sent direct, these reports being repeated to Canada.

3. All questions of administration of the whole force will be dealt with by the Canadian Government and Canada is to form the base of supply and reinforcements. Any material which Canada cannot supply will be furnished from Great Britain. Communications relating to administration will be addressed to Canada and repeated to War Office.

4. Instructions to G.O.C. this force will be telegraphed (?) by the War Office before the expedition starts. In these instructions special reference will be made with regard to the responsibility of the G.O.C. with other British Officers in the Far East and with regard to Allied Powers.

5. The incidence of the cost of Canadian troops will be on the same basis as for those in France, but in view of the fact that the Dominion will be paying direct, no capitation rates will arise.

Army Council requests that the Dominion Government will as soon as possible inform them whether they agree in principle to the above proposals. They will be glad to know and request me to give the approximate date upon which the expedition will be ready to sail from Canada. It is important that the Army Council should have information on the point whether the Dominion Government can supply the special winter clothing required for the whole force owing to the difficulty in obtaining this particular equipment. General Mewburn is being handed a copy of this telegram.

LONG

348. *Order in Council*

P.C. 1983 August 12, 1918

His Excellency the Governor General in Council, on the recommendation of the Acting Minister of Militia and Defence, and pursuant to communications received from the Right Honourable the Prime Minister of Canada and the Honourable the Minister of Militia and Defence, who are now in London, England, regarding the proposed despatch of certain troops from Canada to Vladivostock, is pleased to authorize and doth hereby authorize the mobilization of a force of about four thousand all ranks, plus necessary re-inforcements, for service in Siberia, the said force to consist of the following units:

Headquarters,
One field battery,
One field company of engineers,
One signal section of engineers,
Two infantry battalions,
One machine gun company,
One field ambulance,
One Army Service Corps unit (transport and supply),
One ammunition column for battery and small arm ammunition.

His Excellency in Council is further pleased to order and doth hereby order and declare that the Canadian troops, officers and other ranks of the said force shall be members of the Canadian Expeditionary Force.

349. *Acting Prime Minister to Prime Minister*

TELEGRAM Ottawa, August 16, 1918

Referring to my telegram twenty-seventh July, Canadian troops for Vladivostock. Militia Department state troops required will be mobilized with the least possible delay, but unlikely that Expeditionary Force will be ready to leave Canada within next three months. There will be no difficulty in supplying troops Canadian and English with such articles of clothing as are issued for winter wear in Canada.

DOHERTY

350. *Order in Council*

P.C. 2073 August 23, 1918

His Excellency the Governor General in Council, on the recommendation of the Acting Minister of Militia and Defence, is pleased to order and it is hereby ordered that to the units enumerated in Order in Council (P.C. 1983), dated 12th August, 1918, the following be added as forming part of the Canadian Expeditionary Force destined to serve in Siberia:

One cavalry squadron (to be furnished by the Royal North West Mounted Police).
One stationary hospital.
One sanitary section.
One remount depot.
Two depot units of supply.
One bakery section.
One butchery squad.
Half an ordnance company.
One pay office.
One postal detachment.
One general base depot.
One base guard.

The establishment of the foregoing units will not affect the total personnel already authorized by the Order in Council above quoted (P.C. 1983), that is to say, about 4000 all ranks plus necessary reinforcements.

351. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, September 3, 1918

Referring to your telegram of August 20, your telegram of August 15, and your despatch of July 9, No. 286. Military Service Convention. Canada and Greece and Canada and Belgium. My Ministers state that proposals regarding Greece are considered satisfactory and that draft form of Convention incorporated in your telegram of August 20 is acceptable to Canadian

Government. My Ministers state that it would be preferable that action to enforce Military Service of Belgian subjects in Canada should, when Convention is concluded, be authorized by Canadian regulations which will have force of law, rather than other procedure sanctioned by Order in Council of November 27, 1917. As to phrase "Who belonged to classes called to colours" in preamble of draft Belgium Convention sent with your despatch of July 9, my Ministers observe that this might possibly cause difficulty or delay in proof of liability to serve, and would prefer that His Majesty's Government should endeavour to substitute other words for these or to amend them by expression indicative of fact that Belgians in Canada of ages covered by description in Article 1, have been called to colours of Belgium or are subjected to stipulation of Convention. Subject to amendment on these lines, my Ministers consider that proposed draft Convention with Belgium may be accepted by Canadian Government. Despatch follows by mail.

DEVONSHIRE

352. *Order in Council*

P.C. 2151 September 5, 1918

His Excellency the Governor General in Council on the recommendation of the Acting Minister of Militia and Defence and pursuant to a communication from Headquarters Canadian Overseas Military Forces of Canada, is pleased to order and it is hereby ordered that to the units enumerated in the Orders in Council (P.C. 1983) of 12th August, 1918, and (P.C. 2073) of 23rd August, 1918, as forming part of the Canadian Expeditionary Force destined to operate in Siberia, there be added a Mobile Veterinary Section.

The increase of establishment entailed by the addition of that unit will amount to one officer, fifty-seven other ranks, and twenty-four horses.

353. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH 498
My Lord Duke, Downing Street, September 6, 1918

I have the honour to request Your Excellency to inform your Ministers that in connection with the despatch of Allied troops to Eastern Siberia, His Majesty's Government have undertaken, in concert with the other Allied Governments concerned, to arrange for the supply of goods to relieve the necessities of the Siberian population, and that the Department of Overseas Trade (Development and Intelligence) has been charged with the task of making the arrangements required to carry out this undertaking.

2. The primary object of the measures contemplated is to secure the good-will and sympathy of the Siberian population by manifesting a practical interest in their welfare. At the same time, it is desirable, on various grounds that the operations of supply should so far as practicable, be self-supporting and not eleemosynary, except in cases where actual destitution exists. The

information at present available does not indicate that there is any appreciable amount of destitution such as would require charitable relief, and it may therefore be found possible to carry on the work of supply more or less on commercial lines, subject to such restrictions as may be necessary to control prices, and to avoid any suspicion that the economic needs of Siberia are being exploited for private gain.

3. It is probable that an Inter-Allied Commercial Commission will be established on the spot for the purpose of co-ordinating Allied action in regard to the methods of distribution and sale. Mr. Harold Porter, His Majesty's Acting Consul at Harbin, has been appointed British Commercial Commissioner and is proceeding to Vladivostock, where he will be attached to the staff of the High Commissioner, Sir Charles Eliot, K.C.M.G.,C.B.

4. As regards the actual operations in connection with the supply of goods, arrangements are being made for securing the assistance of a business organisation which will act as the agent of His Majesty's Government, and will not engage in private trading in Siberia. The operations of any such agency will be entirely under the control of the Board of Trade in this country and of the British High Commissioner in Siberia.

5. A Sub-Committee called the Vladivostock Sub-Committee has been set up to deal with questions which may arise in this country as to the supply of goods, to facilitate the procuring of tonnage, and to attend to other matters of detail.

6. His Majesty's Government have thought it well to give the earliest possible intimation of what is proposed, since, in view of the difficulties of the tonnage situation, it is very probable that the bulk of any supplies for Siberia required for the British section of the supply organisation will have to be drawn from other parts of the Empire than the United Kingdom, such as Canada, Australia, New Zealand and India, whose geographical situation makes them at the present time more accessible sources of supply.

I have etc.

WALTER H. LONG

354. *Prime Minister to Prime Minister of United Kingdom*

TELEGRAM Ottawa, September 11, 1918

SECRET. I have reason to believe that an early decision of the Ministry Munitions may result in a sudden and drastic cutting down of Canadian orders for shells which will render situation here extremely difficult and may have disastrous results. The policy is said to be influenced by the consideration that facilities in United Kingdom are sufficient to produce all shells required. Having regard to scarcity of labour for construction of aeroplanes and tanks I venture to suggest that a safer and more effective course might be pursued. Canada can produce shells in great quantities and aeroplanes

to a limited extent but not tanks which are essentially required and as to which as I understand the present effort is yielding inadequate results. Would it not be wise to have Canada so assist in producing shells that there can be a greater concentration of British effort upon tanks and aeroplanes. Moreover the grounds suggested for the proposed policy lose sight of wider considerations which you and Mr. Churchill perfectly realize although they may not be within the vision of permanent officials. If these wider considerations had not prevailed in this country Canada's war effort would not have assumed its present dimensions. I hope you and Mr. Churchill will give personal attention to the situation as it has more importance than may appear on the surface. In any event no decision should be reached until after the approaching conference of the Imperial Munitions Board and the Canadian War Mission with the American Government respecting utilization of Canadian facilities for American requirements during 1919.

BORDEN

355. *Colonial Secretary to Governor General*

TELEGRAM London, October 11, 1918

Referring to my despatch of September 6, Doms. No. 498. Confidential. Paragraph No. 3. Acting High Commissioner, Vladivostock, reports to Secretary of State for Foreign Affairs that Canadians there are urging Canadian Government appoint Civil Representative at Vladivostock to forward Canadian interests more especially in view of presence Canadian troops. In view of likelihood of close commercial relations between Canada and Siberia in near future, High Commissioner, Vladivostock, and His Majesty's Government would welcome appointment. Suggested by Acting High Commissioner Officer selected should be attached to staff of British Commercial Commissioner.

LONG

356. *Order in Council*

P.C. 2595 October 21, 1918

The Committee of the Privy Council have had under consideration a report, dated 21st October, 1918, from the Minister of Trade and Commerce, submitting as follows,—

A military expedition made up of contingents from several of the Allied Powers has been sent to Siberia for the purpose of aiding those sections of the Russian people who are opposed to German influences and are working for stable Government in opposition thereto.

A Canadian force is now being mobilized and despatched to Vladivostock for co-operation therewith. Besides assisting in the protection and pacification of the country the purpose of the Allies is to assist the people of

Siberia to reestablish their productive industries and reorganize their financial and commercial activities, both of which have been thrown into confusion by a long period of war and internal disorder. In order to bring about a betterment of economic conditions it is proposed by the Allied Governments to assist the Siberian people in obtaining a supply of the commodities essentially necessary to equip and carry on their agricultural and other industries, the lack of which is due to the diversion of industrial labour from the manufacture of peace products to that of war supplies, to the virtual cessation of imports from abroad during the last four years and to the almost exclusive employment of internal transport in moving war supplies.

The various Governments concerned are establishing commissions for ascertaining the nature and character of the commodities needed and devising in conjunction with responsible bodies in Siberia plans by which these commodities may be reasonably secured and properly distributed, and the means to be adopted for payment therefor.

The British Government has appointed a Commercial Commission to work in connection with the British High Commissioner in Vladivostock and has intimated its willingness to attach a representative of Canada to his staff.

The Minister observes that Canada has been represented in Russia by a Trade Commissioner at Petrograd since April 1916 until February last when owing to the insecurity of the political situation he returned to Canada. There was also a Canadian Trade Commissioner at Omsk[1] from July 1916 until February 1918 when he was instructed to proceed to Vladivostock where he is now stationed. These two Commissioners have made a thorough study of Russian conditions and have acquainted themselves with the needs of the country and the lines along which these can be supplied by Canadian products. The Trade Commissioner at Vladivostock is conversant with the Russian language and at the present time is working in constant touch with the British Commissioner and his assistants.

The Minister is of the opinion that similarity of natural conditions between Siberia and Western Canada, as well as the problems connected with agriculture and transportation, mining and fisheries are factors which enable Canada to co-operate under present conditions in the supply of the commodities urgently required and also from experience and adaptability to afford practical assistance by advice and instruction along the lines particularly vital to Siberian reconstruction, whilst her interest in a trade and economic point of view both present and future is undoubted.

The Minister, therefore, recommends that a Commission be appointed to proceed to Vladivostock, under the instructions of the Minister of Trade and Commerce, to represent Canadian commercial interests and co-operate with the British and Allied Governments in relation to the matters above set forth.

In particular it should be the duty of the Commission to make a careful study of local conditions, both economic and social; to enquire into the

[1] L. D. Wilgress.

facilities for transportation, both by land and water, and the equipment needs of the same; to ascertain the wants of the farming community in respect to agricultural machinery, tools and equipment of all kinds; to note the possible improvement in methods of handling grain and in mining, forestry and fishing operations and equipment therefor, and to examine into the barter basis of trade in connection with co-operative associations, municipal bodies and trading corporations. They shall also enquire into the current financial conditions and the arrangements of credits in connection therewith which are necessary to a successful exchange of commodities and generally to investigate the opportunities, present and prospective, for increasing commercial interchanges between Russia and Canada and the particular lines along which Canadian experience and industry might best contribute to the rehabilitation of Russian business activities and the development of her vast natural resources. The Commission should from time to time report the information thus gathered and its recommendations as to the nature of the commodities to be supplied and the organization for transport and sale thereof.

The Minister further recommends that the Commission consist of the following persons:

C. F. Just, Chief Canadian Trade Commissioner in Russia.

L. D. Wilgress, Canadian Trade Commissioner at Vladivostock.

Col. J. S. Dennis, Liaison Officer of the Canadian Siberian Expedition.

Ross Owen, Transportation Officer in Russia of the Canadian Pacific Railway Company.

The two first named are officers of the Department of Trade and Commerce; Col. Dennis and Mr. Owen place their services at the disposition of the Government for the work of the Commission free of charge.

The Minister also recommends that later the Commission should be increased by the addition of four members representing respectively the Agricultural, the Mining, the Banking and Manufacturing interests of Canada, who should proceed to Vladivostock early in the year 1919; that of the others Mr. Just and Col. Dennis should proceed at once.

Mr. Wilgress and Mr. Owen are already in Vladivostock.

The Committee concur in the foregoing recommendations and submit the same for approval.

357. *Colonial Secretary to Governor General*

TELEGRAM London, October 22, 1918

MOST SECRET. URGENT. PRIVATE AND PERSONAL. Following for your Prime Minister: H. M. Government have been approached by Turkish Government and British Naval Commander-in-Chief at Mudros has been authorised to discuss armistice with accredited Turkish representative.

Admiral has been told to obtain if possible all conditions suggested at Versailles but immediate and complete opening of Dardanelles and Bosphorus and security of access to the Black Sea are in our judgment of such paramount importance and so obviously carry with them everything else that if these can be obtained armistice may be at once accepted.

LONG

358. *Colonial Secretary to Governor General*

London, October 22, 1918

TELEGRAM

MOST SECRET. PRIVATE AND PERSONAL. Following for your Prime Minister. You have no doubt received full text of German reply[1] by Press cables. The view of H.M. Government is as follows. Begins. By concentrating attention on a single sentence in President's first telegram the reply is plainly designed to obtain conditional armistice which would be most disastrous to the cause of the Associated Powers. About naval terms nothing at all is said. About military terms the Germans assume that an undisturbed retreat for the German army to their own frontier has been already accepted in principle and that nothing remains to be done but to work out a few supplementary details under military advice.

We are well aware that this is not the President's view. We are assured by our experts that the effect of any such policy would be to give the Germans what they most want, time to reorganise and a short and very defensible front. The terms desired by the Associated Governments could never be secured by peace negotiations carried on under such conditions. If for example the Germans broke off on such a question as Alsace-Lorraine or Poland the Allies would be compelled to give way or else resume hostilities against an enemy that was fully reorganised and so situated that every German whatever his opinions would feel he was fighting not for pan-German ambitions but for the soil of the Fatherland. What would inspire his troops would discourage ours; and all the fruits of victory would be lost. It seems to us clear that any armistice must contain securities both against enemy's resumption of hostilities if peace negotiations unhappily break down, and probably also against any violations of the final treaty of peace when that is concluded. These ends can only be attained in the opinion of our experts if armistice provides:

(*a*) That some enemy territory including at least Alsace-Lorraine be at once occupied by Allied troops and

(*b*) That precautions be taken against resumption of naval warfare. Ends.

We are impressing these views on the President with expression of strong hope that he will not without previous consultation with the Allies commit himself on these vital questions.

LONG

[1] For notes exchanged between Germany and the United States on the subject of an armistice see H. W. V. Temperley, *A History of the Peace Conference of Paris*, Vol. I, pages 448-58.

359. *Governor General to Colonial Secretary*

PARAPHRASE OF TELEGRAM Ottawa, October 23, 1918

MOST SECRET. Following from Sir R. Borden for Prime Minister. Begins. Canadian Government entirely concur in views of His Majesty's Government expressed in your telegram of yesterday.

DEVONSHIRE

360. *Order in Council*

P.C. 2596 October 23, 1918

The Committee of the Privy Council have had before them a report, dated 21st October, 1918, from the Minister of Trade and Commerce, stating that in a despatch of the 6th September from the Secretary of State for the Colonies it is stated that His Majesty's Government have undertaken in concert with other Allied Governments to arrange for a supply of goods to relieve the necessities of the Siberian population and that arrangements therefor insofar as the British Government is concerned are being made by the Department of Overseas Trade.

It is explained that the main object of the proposed measure is to secure the goodwill of the Siberian people by showing a practical interest in their welfare but that it is desirable that the operations of supply should be self-supporting and not charitable except in cases where actual destitution exists. It is believed from present information that the contemplated work of supply can be carried out along commercial lines subject to proper control as to prices and methods of trading so as to prevent any exploitation of the economic needs of the people for private gain. It is considered probable that ultimately an inter-allied commercial commission will be set up to carry out this policy by co-ordinated allied action in respect to methods of distribution and sale.

His Majesty's Government has appointed a Commissioner who is attached to the staff of the British High Commissioner at Vladivostock and arrangements are being made to provide for a supply of goods through a business organization which will act as agent of His Majesty's Government and which shall not engage in private trading.

It is considered probable that the bulk of supplies required for Siberia will have to be obtained, for the British section, from Canada, Australia, New Zealand and India, as being the most favourably situated geographically and from a transport point of view.

A despatch dated 11th October, from the Right Honourable the Secretary of State for the Colonies, intimates that His Majesty's Government would welcome the appointment of a representative of the Canadian Government who could be attached to the staff of the British Commercial Commission at Vladivostock.

The Committee, on the recommendation of the Minister of Trade and Commerce, advise that the Right Honourable the Secretary of State for the Colonies be advised that the Canadian Government has already at Vladivostock a thoroughly competent Trade Commissioner in the person of Mr. L. D. Wilgress, formerly stationed at Omsk, and is now constituting a small committee of which Mr. Wilgress will be a member, which will proceed at once to Siberia and will keep the Governments advised of the commercial and economic conditions in Siberia with a view of acting in unison with the objects contemplated by the Inter-Allied Commission. The Government of Canada, in common with the Mother Country and her Allies, wishes to do its share towards assisting the Siberian population in obtaining the necessary supplies along commercial lines, and where required in rendering relief in cases of destitution, and wishes in these respects to co-operate closely with the British Commissioner although maintaining an organization of its own as outlined above.

All which is respectfully submitted for approval.

361. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, October 24, 1918

Referring to your despatch of September 6, Doms. 498 Confidential and your telegram of October 11. Canadian Government has constituted small commercial Commission to represent Canadian trade and economic interests in Siberia and work in co-operation with British Commissioner. This is considered preferable to suggestion your cable October 11. L. D. Wilgress Member of this Commission is now at Vladivostock. Canadian Government would be glad to have your approval in connection therewith and notification to British Commissioner at Vladivostock.

DEVONSHIRE

362. *Governor General to Colonial Secretary*

DESPATCH 862 Ottawa, October 26, 1918

Sir,

With reference to your despatch of the 6th September stating that His Majesty's Government have undertaken in concert with other Allied Governments to arrange for a supply of goods to relieve the necessities of the Siberian population, and that arrangements therefor, insofar as the British Government is concerned, are being made by the Department of Overseas Trade, I have the honour to transmit herewith copy of an Approved Minute of the Privy Council for Canada, stating that the Canadian Government has already at Vladivostock a Trade Commissioner in the person of Mr. L. D. Wilgress, formerly stationed at Omsk. They are at present constituting a small committee of which Mr. Wilgress will be a member, to proceed to Siberia and keep the Governments advised of the commercial and economic conditions

in that country, with a view of acting in unison with the objects contemplated by the Inter-Allied Commission. As you will observe my Government is desirous of co-operating closely with the British Commissioner although maintaining an organization of its own, and they consider that this organization will meet the requirements outlined in your despatch of the 11th October.

I have etc.

DEVONSHIRE

363. *Colonial Secretary to Governor General*

TELEGRAM London, October 27, 1918

PERSONAL AND SECRET. Following from Prime Minister for your Prime Minister. Begins. We have now received officially the text of communication of what passed between President Wilson and the German Government together with a request to the Allied Governments that they take it into careful consideration and communicate our views and conclusions concerning it.

Mr. Balfour and I attend a meeting of the Supreme War Council on Tuesday at which United States will be represented by Colonel House to decide upon action we should take. Both the Naval and Military Advisers of the Allied Governments have been instructed to prepare their advice in regard to terms of armistice for consideration at this meeting.

Cabinet has given long and earnest consideration to the problems involved and has decided to leave final decisions to be taken by British members of Supreme War Council after consultation with their Allies. Subject to satisfaction of certain general principles as to peace terms they have felt it essential that we should enter a peace conference with perfectly free hands.

Freedom of the Seas. Under no circumstances are they prepared to bind themselves to limit or circumscribe the action of the British Navy. Definition of other points in regard to peace terms, notably in regard to reparation of what damage done by sea as well as on land will probably also have to be made clear.

In regard to the armistice, the terms would be such as make it impossible for Germany to renew the struggle except at a very great disadvantage and in addition must put into the hands of the Allies pledges which will enable them to exact fulfilment of peace terms as finally agreed to.

The naval terms of armistice must be such as leave the Navy at an advantage similar to that which the Allied armies will occupy. Unless these conditions are fulfilled the desire of the Cabinet is to impose conditions so humiliating as to make it impossible of acceptance.

Turkish delegates arrive at Mudros tomorrow morning to receive from British Admirals conditions upon which Allies would sign armistice. The

demobilisation conditions will be that the Allies occupy Dardanelles and the Bosphorus so as to enable control of Constantinople and a passage to the Black Sea, and that prisoners be returned immediately.

I will keep you informed of movement of events and of decisions arrived at as early as I can.

LONG

364. *Prime Minister of United Kingdom to Prime Minister*

PARAPHRASE OF TELEGRAM London, October 27, 1918

PERSONAL AND SECRET. I think that you ought to be prepared to start without delay for Europe, if the Germans accept the terms of the armistice which we shall propose after our meeting at Versailles this week, as the Peace Conference will in that event probably open within a few weeks, and this will have to be preceded by Inter-Allied Conferences of at least equal importance. It is I think very important that you should be here in order to participate in the deliberations which will determine the line to be taken at these conferences by the British Delegates.

LLOYD GEORGE

365. *Prime Minister to Prime Minister of United Kingdom*

TELEGRAM Ottawa, October 28, 1918

PERSONAL AND SECRET. Your message of yesterday received. I shall make preparation as suggested to start as soon as necessary.

BORDEN

366. *Prime Minister to Prime Minister of United Kingdom*

TELEGRAM Ottawa, October 29, 1918

SECRET. PRIVATE. PERSONAL. There is need of serious consideration as to representation of the Dominions in the peace negotiations. The press and people of this country take it for granted that Canada will be represented at the Peace Conference. I appreciate possible difficulties as to representation of the Dominions but I hope you will keep in mind that certainly a very unfortunate impression would be created and possibly a dangerous feeling might be aroused if these difficulties are not overcome by some solution which will meet the national spirit of the Canadian people. We discussed the subject today in Council and I found among my colleagues a striking insistence which doubtless is indicative of the general opinion entertained in this country. In a word they feel that new conditions must be met by new precedents. I should be glad to have your views.

BORDEN

367. *Prime Minister of United Kingdom to Prime Minister*

PARAPHRASE OF TELEGRAM London, November 1, 1918

SECRET. PRIVATE. PERSONAL. You ought I think to come over as soon as you can and not wait for Germany to reply. Inevitably we are being drawn into discussions with our Allies affecting terms of peace and you ought to be on the spot I think. Personally I should value your presence greatly.

D. LLOYD GEORGE

368. *Prime Minister of United Kingdom to Prime Minister*

PARAPHRASE OF TELEGRAM London, November 3, 1918

SECRET. PRIVATE AND PERSONAL. Your telegram reached me while in Paris. I fully understand the importance of the question that you raise. It makes me impressed all the more with the importance of your coming immediately to Europe, for practically it is impossible to solve by correspondence the many difficult problems which it raises and which you fully appreciate. Also, on many questions now coming under consideration I should value your advice greatly. It will, I earnestly hope, be possible for you to sail at once.

D. LLOYD GEORGE

369. *Prime Minister to Prime Minister of United Kingdom*

TELEGRAM Ottawa, November 6, 1918

SECRET. PRIVATE. PERSONAL. Your telegram November 3rd. I have arranged to sail on the first available boat, which sails about the 10th November. I shall be accompanied by two of my colleagues.

BORDEN

370. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, November 6, 1918

With reference to my cyphonote November 6. Message from Prime Minister. Party will consist of following:

Sir Robert Borden.
G. F. Buskard, Private Secretary.
J. F. Boyce, Assistant Private Secretary.
Charles Derome, Messenger.
Sir George Foster, Minister of Trade and Commerce.
W. L. Warne, Private Secretary.
Hon. A. L. Sifton, Minister of Customs.

L. C. Christie, Legal Adviser, Department of External Affairs.
Frank Jones, Chairman, War Trade Board.
Lloyd Harris, Chairman, Canadian War Mission, Washington.
Dr. J. W. Robertson, Canada Food Board.
J. S. Westmoreland, Private Secretary.
Lieut.-Colonel O. M. Biggar, Judge Advocate General.

DEVONSHIRE

371. *Prime Minister of Australia to Prime Minister*

TELEGRAM London, November 10, 1918

SECRET AND CONFIDENTIAL. My Cabinet Council requests me to inform you that it is both surprised and indignant that conditions peace should have been decided without Australia and presumably other Dominions being consulted. In light many definite assurances to contrary embodied in Secretary of State's despatches and repeated utterances Ministers during the war the Commonwealth of Australia regard this painful and serious breach of faith. My colleagues unanimously convinced that Australia will not accept any interpretation President Wilson's point No. 3 which will limit her right to deal with her own tariff as she thinks best and make such distinction one nation and another as she deems proper. Australia will resist any restrictions her right to sell her great staple products wherever she considers best keeping in view as she always has highest interests of the (Empire?). With regard to former German colonies in the Pacific Ocean my Government is of opinion that as it is essential for the safety of Australia and New Zealand that [garbled] definite provisions [garbled] should have been inserted terms of peace agreed upon by the Versailles [garbled] as was done with regard to the freedom of the seas and Alsace Lorraine and not left to be dealt with under fifth clause which [garbled] any definite assurance of a satisfactory settlement.

W. M. HUGHES

372. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, November 11, 1918

URGENT. Canadian Government consider it desirable that terms of armistice should be communicated by them to Canadian people contemporaneously with announcement in London and Washington.

DEVONSHIRE

373. *Acting Prime Minister to Prime Minister of United Kingdom*

TELEGRAM Ottawa, November 11, 1918

The Government and people of Canada rejoice with the people of Great Britain in the triumph just achieved over the forces which have for four years fought to crush our common liberties. Canada has a profound appreciation of the great sacrifices made by the people of the United Kingdom during this titanic struggle.

The heroic valour of the army and the devoted service of that great navy which has kept the sea lanes safe and has done so much to enable the Allies to bring their full strength into the conflict will never be forgotten by the Canadian people. The principles upon which our Empire is founded have been gloriously vindicated. The people of Canada join with the other liberty-loving peoples of the world in the earnest hope that at the approaching peace conference such conclusions may be reached as will prevent the repetition of the horrors of this war and safeguard the future peace of the world.

W. T. WHITE

374. *Colonial Secretary to Governor General*

TELEGRAM London, November 11, 1918

URGENT. Please communicate to your Ministers following message from His Majesty and publish:

At the moment when the Armistice is signed bringing I trust a final end to the hostilities which have convulsed the whole world for four years I desire to send a message of greeting and heartfelt gratitude to my Overseas Peoples whose wonderful efforts and sacrifices have contributed so largely to secure the victory which now is won. Together we have borne this tremendous burden in the fight for justice and liberty. Together we can now rejoice at the realization of those great aims for which we entered the struggle. The whole Empire pledged its word not to sheath the sword until our end was achieved. That pledge is now redeemed. The outbreak of war found the whole Empire one. I rejoice to think that the end of the struggle finds the Empire still more closely united by the common resolve, held firm through all vicissitudes—by the community of suffering and sacrifice—by the dangers and triumphs shared together. The hour is one of solemn thanksgiving and of gratitude to God whose divine providence has preserved us through all perils and crowned our arms with victory. Let us bear our triumphs in the same spirit of fortitude and self-control with which we have borne our dangers. GEORGE R. I.

LONG

CHAPTER III

IMPERIAL RELATIONS

Imperial Conference on Defence, 1909; establishment of a Canadian Navy; transfer to Canada of British naval bases at Halifax and Esquimalt; Imperial Conference, 1911; Dominion representation on the Committee of Imperial Defence; Canadian contributions to Royal Navy; Sir Robert Borden visits England; Canadian representation at Economic Conference in Paris, 1916; Dominions Royal Commission; Imperial War Cabinet and Imperial War Conference, 1917; proposed Inter-Allied Conference, 1917; Indian migration within the Empire; channels of communication between United Kingdom and the Dominions; Imperial War Cabinet and Imperial War Conference, 1918; organization of an Imperial cabinet system.

375. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, February 12, 1909

Following is substance of Minute of Council approved 10th February Imperial General Staff.[1]

After general acceptance of principles as laid down in War Office letter and memorandum enclosed in your despatch of 15th January,[2] satisfaction is expressed that principle of local control by responsible Ministers concerned over officers of local section has been fully safeguarded.

While agreeing to proposal as to the chiefs of local sections keeping in close communication with Chief of Imperial General Staff, Minister of Militia considers it advisable to lay down definitely that such communications from chief of Canadian section other than on routine or ephemeral questions should be submitted to and concurred in by Minister of Militia before being despatched.

Definite assent is recorded to principle as laid down in first paragraph of part 3, memorandum, as to education at Staff College. In view of improbability of any considerable increase in Canadian permanent forces for some years, Canada not likely to spare more than four officers at the same time

[1] The creation of an Imperial General Staff was proposed in Resolution III of the Colonial Conference of 1907. The new body was formally established early in 1909.

[2] Printed in *Correspondence relating to the proposed formation of an Imperial General Staff*, Cd. 4475, 1909.

for Staff College training, so that Ministers think that establishment of Canadian Staff College would not be worth while. They would prefer to send Canadian officers to Staff College, Camberley, in accordance with existing arrangements, and would be prepared to pay equitable share of additional expense involved in increase in accommodation or number of instructors, and propose to meet difficulties as to preliminary military education of military officers by extending functions of Royal Military College, Kingston, and including in its instructing staff selected officers from educational branch of Imperial General Staff.

Proposals regarding free interchange of officers of General Staff and holding of periodical conferences concurred in.

Last paragraph of memorandum of Canadian Minister of Defence, laid before Colonial Conference, 1902,[1] is quoted as representing present attitude of Government of Canada.

Despatch follows by mail.

GREY

376. *Colonial Secretary to Governor General*

TELEGRAM [London], April 30, 1909

The Prime Minister of the United Kingdom as President of the Imperial Conference has desired me to ask you to convey the following message to the Prime Minister of the Dominion of Canada. Message begins:

His Majesty's Government have noted with much satisfaction the Resolution[2] passed by the House of Commons of the Dominion of Canada on March 29th on the subject of National Defence, recording its approval of the speedy organisation of a Canadian naval service in co-operation with and in close relation to the Imperial Navy; and I understand the Dominion Government proposes that its defence Ministers should come here at an early date to confer with the Imperial naval and military authorities upon technical matters arising upon that resolution.

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[1] The paragraph reads as follows: "In conclusion, the Ministers repeat that, while the Canadian Government are obliged to dissent from the measures proposed, they fully appreciate the obligation of the Dominion to make expenditures for the purposes of defence in proportion to the increasing population and wealth of the country. They are willing that these expenditures shall be so directed as to relieve the taxpayer of the Mother Country from some of the burdens which he now bears; and they have the strongest desire to carry out their defence schemes in co-operation with the Imperial authorities, and under the advice of experienced Imperial officers, so far as this is consistent with the principle of local self-government, which has proved so great a factor in the promotion of Imperial unity." (Cd. 1299, 1902, p. 74).

[2] The defence resolution was introduced by George Foster, revised by Sir Wilfrid Laurier and passed unanimously. The text was quoted by Sir Frederick Borden at the Defence Conference of 1909. (See Document 378.)

His Majesty's Government have also before them recent patriotic proposals made by Australia and New Zealand demanding very cordial and careful consideration, both as to the principle and detail. I desire therefore to commend to you the following important suggestion, namely, that a conference of Representatives of all self-governing Dominions, convened under the terms of Resolution One of the Conference of 1907 which provides for such subsidiary conferences, should be held in London early in July.

The object of the Conference would be to discuss the general questions of naval and military defence of the Empire with special reference to the Canadian resolution and of the proposals from Australia and New Zealand to which I referred.

The Conference would of course be of a purely consultative character. It (would sit) in private and its deliberations would be assisted by the presence of members of the Committee of Imperial Defence or of other expert advisers of H.M.'s Government.

I am addressing a similar message to the other members of the Imperial Conference. I am intimating to the other Prime Ministers that I assume that as the consultation will be generally upon technical or quasi-technical naval and military matters, the other Dominions would elect to be represented, as in the case of Canada, by their Ministers of Defence, or failing them by some other members of the Government assisted by expert advice. Message ends.

I am strongly of opinion that an early confidential exchange of views between H.M. Govt. and the Governments of H.M. self-governing Dominions beyond the Seas would be of the greatest mutual advantage, and I therefore trust that your Prime Minister and his colleagues will see their way to adopt the proposal.

CREWE

377. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, May 4, 1909

Your telegram 30th April. My Ministers wish to point out that views of Canadian House of Commons on the question of naval defence have already been expressed, and, in pursuance of resolution of that body, two Ministers, as already announced, will shortly go to London to discuss with Admiralty best method of carrying out that resolution. My Ministers have not sufficient information to warrant them in advising as to necessity for such a formal Conference as that suggested, but there would be no objection to postpone visit till July so as to suit convenience of Imperial Government.

GREY

378. *Extracts from Minutes of Proceedings of the Imperial Conference on the Naval and Military Defence of the Empire, 1909*

July 28, 1909

. . .

Sir FREDERICK BORDEN[1]: If I may add a word I would like to endorse what Sir Joseph Ward[2] has said as to his appreciation of the kindness with which we have been welcomed here by the Prime Minister and the Colonial Secretary. I would like also to say first that I regret—a regret which, I think, all of us who have had the opportunity of meeting Sir Wilfrid Laurier will share—that we are not to have the advantage of his presence here at this Conference.

Our duties, that is of Mr. Brodeur[3] and myself, have been rendered easier by the fact that the Canadian House of Commons has passed a resolution, from which the Prime Minister has read an extract to-day, which indicates very clearly, I think, the lines upon which Canada will expect its representatives to proceed to advise the Conference so far as opportunity occurs. The unity of the Empire and the autonomy of the different parts of that Empire is a phrase which Sir Wilfrid Laurier has coined, and is one to which everybody will subscribe, and I think it is quite evident from the remarks of the Prime Minister that he accepts that view. I do not propose to detain the Conference at all with details, but I want to say at once that Canada has shown by the resolution, in the words quoted by the Prime Minister to-day, that she recognises fully her responsibility in matters of defence. I may say that she has proved this by the fact that within 10 years the amount of money she has expended upon land defences has quadrupled. Whereas 10 years ago we expended perhaps altogether too small an amount, at any rate to-day we are spending more than four times the amount which was expended then. In 1902 the Canadian delegates to the Conference of that year indicated very clearly in a memorandum their desire to take their full part, not only in defence on the land, but on the sea as well.

In considering the statistics, the interesting statistics, which have been placed before us to-day by the Prime Minister, so far as they refer to Canada, and in which I admit Canada makes a very small showing, I think it is only fair to remember, and only a fair and proper thing to say—that, while that is true, Canada has nevertheless been doing its share in the way of developing the power and strength of this Empire by expending, not millions, not tens of millions, but hundreds of millions of dollars in developing the public works of that country. I do not know, Sir, any way in which the upbuilding of this Empire could be contributed to better than by the work which we have been doing in that way during the last 20 years. That has been done, but it is not finished. We are stronger as the result of that work, and the Empire is stronger. We are richer, and we are better able to do,

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[1] Minister of Militia and Defence, 1896-1911.

[2] Prime Minister of New Zealand, 1906-12.

[3] Louis P. Brodeur, Minister of Marine and Fisheries, 1906-11.

and we are prepared to the fullest extent possible or necessary to do, our share on the lines which have been laid down in the resolution passed by the House of Commons at their last sitting.

. . . July 29, 1909

Mr. [R. B.] HALDANE[1]: Lord Crewe, and Gentlemen, it is more than two years since the last Conference took place on Imperial Defence. At that time, when the Prime Ministers of the overseas dominions were here we were able to come to a very substantial agreement upon the mode of organisation of the military forces of the Empire. It was agreed then as common ground that it would be out of place, and a misunderstanding of the independent character of the constitutions of the various parts of the Empire if we were to try to lay down any rigid plan or scheme under which the various Governments of the Empire should endeavour to bind their people in advance. What we recognised was that, given the proper machinery and a common purpose for which the machine was present and could be used, the purpose was the most effective power, and, accordingly, with a view to making the common purpose clear and providing the organisation for giving it effect, we agreed on the principle of an Imperial General Staff. Before I come to the stage we have now reached it is probably appropriate that I should say a few sentences as to what has been accomplished in the meantime. To begin with, the Imperial General Staff which was then considered in principle has been further elaborated; despatches containing details were forwarded after consultation with various experts from different parts of the Empire in December last, and the broad principle of these despatches has received a very general assent. These despatches contained details for translating the principle of the Imperial General Staff into reality, and while a good deal of work has been done there still remains work to be done in connection with the working out of that Imperial General Staff. Its conception as we know is this: that given the common purpose of the Empire to remain one and indivisible for the purpose of Imperial defence you should have a trained mind—a mind to which every part of the Empire contributes its share, organised for the working out of these great common strategical problems, and that while each Government at home and overseas retained complete control it should have the advantage of having at its elbow representatives of that Imperial General Staff from whom it ought to get the best counsel as to the steps to be taken in war and the best advice as to preparation for the time of war in peace. So much for the Imperial General Staff. . . .

Now I come, having reviewed the state of progress here, to the problem of to-day. We know, as Lord Crewe has said, that it is impossible for you to bind your people in advance. The difficulty is a peculiar one in the case of South Africa, which is just bringing her Constitution to the birth; we have no Ministers of the new Government here who can say anything, and I think all we can do is to put before you plans we have fashioned out for

[1] Richard B. Haldane, United Kingdom, Secretary of State for War, 1905-12.

carrying on the work already done in the constitution of the Imperial General Staff in principle, and in what I have described to you, a stage further, and asking you, if these plans meet your approval, to take them away with you and commend them to those whom you have to counsel. There is a second stage of that work. I think I probably express, not only my own feeling, but the feeling of others here, if I say that you must feel yourselves anxious to take away something practical, not merely general principles, but detailed plans which can be adopted and made use of. Now, I would suggest, when I have come to the end of what I am going to say, that if we can find ourselves in a mood of general agreement about the desirability of adopting the broad principles which are laid down in the papers which have been already circulated, the next stage of the work might be taken up by the experts, of whom I am not one. I should propose to vacate the chair for a series of expert conferences, to be presided over by the Chief of the Imperial General Staff, who might well make his *début* on this occasion—Sir William Nicholson—who would consult the military representatives over here and anybody else from over-seas who is good enough to attend these Conferences on the working out of the application of these principles. In that way you will be able to talk over that with the material already placed at your disposal, and possibly to get some assistance on various minor problems which are troubling yourselves at the present time. All we can do is to define our common purpose. If we can define our common purpose so as to make it a worthy purpose, then I have faith that it will be adopted by its own weight, if it is a well worked out purpose, and that involves that we should be able to define it and take it in detail as well as in its broad outline.

Gentlemen, I now come to the substance of these three papers, and I can take you over them, I think, pretty rapidly. These papers are three in number. The first deals with the general principles on which the military defence of the Empire must be based; the second with what received so much stress at the last Conference, the desirability of as far as possible having a common pattern as regards formations, style of weapons, and so on; we do not want identity, but we want as much resemblance as the circumstances admit of; you may raise your troops, for instance, in some parts of the Empire by compulsion, and in others by voluntary service, and it all works in; it does not follow that there should be identity, but there should be similar formation in broad features, that is essential if there is to be anything like rapid mobilisation; and the third paper deals with the development of detail of the Imperial General Staff. . . .

Gentlemen, the broad principles on which we propose to do that are set out in the three parts of the Paper which you have all had, and with which I think you are all more or less familiar. I may say that at the end of Parts II and III we have put certain questions on which we do not ask you to bind yourselves. Africa cannot bind itself, and the other Dominions probably would be loth to do so, but they form points on which we can get a general indication of the individual opinion of the gentlemen here present.

. . . The first question is, "Is each part of the Empire willing to make its preparations on such lines as will enable it to take its share in the general defence of the Empire?" I need not say more about that than I have said already.

The second question is, "Shall Imperial war establishments be fixed, based on requirements for the most probable campaign of a serious character in which an Imperial army is likely to be engaged?" As we have pointed out, these war establishments, which have been worked out here pretty completely, and the materials of which are at your disposal, are, in the view of the general staff, the best war establishments for any Home defence force; they are based on filling a double purpose.

The third question is, "Will the Dominions endeavour to organise their existing forces so as to be capable of mobilising in accordance with the above establishments for a common Imperial object?" That is the same question in another form.

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Sir F. Borden: Lord Crewe, Mr. Haldane, and Gentlemen, I am very glad to notice that a very fundamental idea in the consideration of this question, namely, the autonomy of the different Dominions is recognised as the basic principle. That, I think, is vital to any progress, or any success, in any organisation that may be undertaken. Imperial unity, as I said yesterday, and local autonomy must go hand in hand. We recognise the first and—I am not using the word in any offensive way—we insist upon the second. Now I need not elaborate that point further, because I am glad to observe that it is recognised everywhere. I have been carefully reading all the interesting speeches which have been delivered lately in connection with the visit of the Press Conference here, and the same note I have observed existed in all the speeches of all the statesmen, regardless of party, recognising the absolute importance, as the first consideration, of local autonomy.

Then it seems to me we might ask ourselves the question: Is there community of interest between the different autonomous Governments? Is there community of interest, for instance, between my own country, Canada, and the Mother Country? It is only necessary, I think, to ask the question in order to answer it in the affirmative. It is true of Canada, and it is true of every part of the Empire. If the Empire falls, we fall as the result. Then is defence of any kind necessary? It is again only necessary to ask that question to answer it in the affirmative. Local defence has been undertaken, I think, in most of the dominions, and has been developed quite extensively on land in Canada—and I speak chiefly for Canada, of course. We have thought it our duty, and we so stated in 1902 at the Conference, to develop our local defences in such a way that we should relieve the Mother Country as far as possible from the expense of defending our immense territories. I need not say what we have done. We have proceeded upon those lines in co-operation with and with the advice and assistance of the War Office. We believe that local defence and Imperial defence are very largely one and the same thing, and we have arranged our military organisation in such a way that we can co-operate with Imperial forces, and in such a way that we would have a

first line of defence in the event of any attack being made against Canada or upon Canadian soil. Just here I might perhaps illustrate my view of the relationship of local and Imperial defence. Suppose, for instance, a war took place, and an enemy landed its forces in Canada, we would be prepared to meet that enemy at first, but eventually we would require the power and assistance of the centre of the Empire. Here at once you have an illustration of how inseparable local and Imperial defence are. A raid, such as we had some years ago, on Canadian territory in the form of the Fenian raid, or a riot, or anything of that kind, which is purely local, we are able to take care of ourselves; but the moment attack is made upon Canadian territory by any other nation, then at once Canada becomes the scene, the theatre of a war in which immediately the Empire is interested, and Imperial troops would be necessary. So that it seems to me it is only common sense which would lead us to so organise our local defences that they could co-operate with an Imperial army and be really and genuinely a part of that army.

In 1902 a proposal was made to the Conference of that date by the then Secretary of State for War, that a certain force should be set apart by each one of the dominions and earmarked, so to speak, for foreign service. I am sure that proposal was made with the best intentions, but it became my duty, as representing the Dominion of Canada, at the request of the Prime Minister, to speak for Canada, and I did not hesitate to say that such a proposal could not possibly be carried out. I thought it would be detrimental to the best interests of the military forces of Canada in the first place, and we could not think of setting apart any set of men under any particular circumstances. I take it the present proposal is entirely different from that. If it were not, I should not agree to it. As I understand it, the present proposal is the logical sequence of the establishment of an Imperial General Staff. Lord Crewe read the resolution of the last Conference, which unanimously adopted the principle of the establishment of an Imperial General Staff. Since that time, as Mr. Haldane has stated, the idea has been elaborated, and, so far as Canada is concerned, has been practically adopted *verbatim et literatim,* as forwarded to us in the dispatch that came to us through the Colonial Office some months ago. I think the proposals which have been made to-day are throughout largely the logical result of the step which we took at that time.

. . . My colleague and myself are not in a position to bind the country which we represent, absolutely. We were really sent here more particularly to take part in the discussion of some proposed naval organisation for Canada, but we were very glad to come and take part in the wider discussions which were decided upon afterwards. I have looked over these questions somewhat carefully, and it seems to me that there is nothing in them to alarm any self-governing country or to which any one could take exception. That is my own personal view, and that view I shall be prepared to press upon the Prime Minister and upon my colleagues at home when I return: "Is each part of the Empire ready to make its preparations on such lines as will enable it to take its share in the general defence of the Empire"? Why not? If a defensive force, as I ventured to try to say a moment ago, is to be of any use,

it must be in a position to co-operate with the great Imperial army, and it seems to me it is only common sense to answer that question in the affirmative. It takes away nothing from our local autonomy. May I say that there is nothing in any of these recommendations which suggests in any way any change in our method of raising our troops. It is not suggested that it shall be anything but voluntary service. It is not suggested that there should be any compulsion. That is to say, we are left absolutely to ourselves. Under the militia law of Canada the Governor-General in Council has power to mobilise the whole of our forces, and if a war is imminent and Parliament is not in session, Parliament may be called within 15 days, and Parliament will then decide, and Parliament can alone decide whether we will take any part in that war, whatever it may be. But in the meantime the Governor-General in Council has power to mobilise the whole of our forces, and Parliament would be called and Parliament would decide what was to be done. There is nothing inconsistent with that authority in this question so far as I can see. If the question be answered in the affirmative, and acted upon, and we maintain forces which are organised on a common principle and in co-operation and in co-ordination with those of Great Britain, then we are ready, if we see fit, to take part in any war in which the Empire is interested. That is the whole point, that we shall be ready if we wish to take part; but we are not bound to take part if we do not wish to do so. We shall be able to do so if we desire it. If we do not desire it we are absolutely free to abstain or refrain from doing it. It seems to me that is the whole thing.

As to the second question I am not quite so clear, and possibly that question might be modified somewhat. I do not like the idea of shaking in the faces of our neighbours our war establishment if there is any way of avoiding it. We are alongside very friendly neighbours, and I suppose any organisation which would be contemplated could not leave out of consideration the possibility of a war on the North American continent; but it would seem to me better if these war establishments could be kept secret and not published to the world. I throw that out as a suggestion.

As to the third question, I think I have practically answered that in what I have said with regard to the first question. . . .

As to the fifth question,[1] I might say that I consider it is desirable that Imperial patterns of arms, equipment, and stores should be identical. I suppose Mr. Haldane had in mind the fact that we have a different rifle in Canada. With regard to that, I want to say that I did my best to induce some of the English manufacturers of the Lee-Enfield rifle—the Service rifle of Great Britain—to come to Canada and establish factories, but they would not do so, and so we had to do the next best thing we could; but we took good care to secure a rifle which uses the same ammunition as the Service rifle of the Imperial army. Therefore, so far as that goes, I think there is no

[1] Haldane's fourth question referred to a technical matter, while his fifth question was: "Are the Dominions prepared to adopt as far as possible imperial patterns of arms, equipment and stores?"

difficulty. I may say that I am trying now to induce, and I believe I have succeeded in inducing, one of the largest manufacturers of artillery to come to Canada and establish a factory there. Of course, if that is done the guns that will be manufactured will be manufactured from the pattern of the War Office.

I do not know that I should detain the Conference any longer. I have said to you all I have to say. I have not entered into the question of the command of the sea, which probably is the first and most important thing requisite, but that question, I assume, will be considered at another meeting.

August 5, 1909

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Sir Frederick Borden: Necessarily what I say, and properly I suppose, will have to be from the Canadian point of view. Some observations were made the other day as to the desirability of reaching general conclusions, and I suppose that is extremely desirable, but it would seem to me that a frank presentation of the points of view of the different Dominions would be necessary in order to reach any general conclusions such as are possible and which would be of any use.

In the first place I wish to say, what I hinted at I think at the first meeting of the Conference, that the instructions given to the Canadian delegates were very specific in the form of a Resolution unanimously adopted by the Canadian Parliament, and while reference has been made to that Resolution, and one or two sentences quoted from it, there are other parts of the Resolution which I think have a special bearing upon the matter now in hand. I will read the Resolution if I may:

> This House fully recognises the duty of the people of Canada, as they increase in numbers and wealth, to assume in larger measure the responsibilities of national defence. The House is of opinion that under the present constitutional relations between the Mother Country and the self-governing Dominions, the payment of regular and periodical contributions to the Imperial Treasury for Naval and Military purposes would not, so far as Canada is concerned, be the most satisfactory solution of the question of defence. The House will cordially approve of any necessary expenditure designed to promote the speedy organisation of a Canadian Naval Service in co-operation with and in close relation to the Imperial Navy, along the lines suggested by the Admiralty at the last Imperial Conference, (this is a point I wish to call the attention of the First Lord and the Conference to) and in full sympathy with the view that the naval supremacy of Britain is essential to the security of commerce, the safety of the Empire, and the peace of the world. The House expresses its firm conviction that whenever the need arises, the Canadian people will be found ready and willing to make any sacrifice that is required to give to the Imperial authorities the most loyal and hearty co-operation in every movement for the maintenance of the integrity and honour of the Empire.

From this it would appear that there are three points or principles laid down. The first is the principle that Canada desires to do whatever she has to do herself, and to retain local control thereof, but at the same time she

wishes to do it in direct connection with and under the guidance and supervision of the Imperial authorities. Secondly, she specifically, and Parliament specifically, indicates that what they wish to do is along the lines laid down by the First Lord of the Admiralty in the Conference of 1907. So that it would seem to me that those instructions are specific, and that so far as Mr. Brodeur and I are concerned, we have no mandate whatever to go beyond that. Lastly, I take it that the last clause means that in the event of an emergency of any kind Canada will not necessarily limit herself to expenditure of her own money herself, but will be prepared to go to any extent possible to assist the Mother Country to meet that emergency or crisis such as it may be. Therefore, as I have already said, our duties are somewhat clear and our responsibility is to that extent limited.

Sir Wilfrid Laurier, the Prime Minister, and I think other prominent speakers, elaborated their views and quoted from the views of the First Lord of the Admiralty, as presented by him in 1907, and perhaps I might quote very briefly from the Prime Minister's speech. The Prime Minister said:

> Lord Tweedmouth, of the Admiralty, speaking on the question of what should be done by the Self-Governing Dominions, ignored the question of training ships altogether (this is in 1907) and insisted that we should at once make provision for the defence of our harbours. This is the language he made use of on that occasion, 'I understand that, in Australia particularly, and in South Africa, it is desired to start some Naval Service of your own. Perhaps I might suggest that if the provision of the smaller craft, which are necessarily incident to the work of a great fleet of modern battleships could be made locally, it would be a very great help to the general work of the Navy. You cannot take the small craft such as torpedo boats and submarines across the ocean, and for warships to arrive in South Africa or in Australia or in New Zealand or in Canada, and find ready to their hand well-trained men in good vessels of this kind, would be an enormous advantage to them. It would be an enormous advantage to find ready to their hand men well trained, ready to take a part in the work of the Fleet. There is, I think, the further advantage in these small flotillas, that they will be an admirable means of coast defence; that you will be able by the use of them to avoid practically all danger from any sudden raid which might be made by a cruising squadron. What I should like to point out, is that, above all things in this work, the submarine is probably the most important and the most effective weapon. It is the weapon with which you can meet a Fleet attacking during the day, or individual ships attacking by day. I am assured by my advisers at the Admiralty that it is a most important weapon, that it has already reached very considerable development, and it is one on which we may rely with great confidence.' In another part of his observations he spoke as follows:—'Then I should like to say a single word on the further point of the provision of docks and coaling facilities in the Colonies. The enormous development of the modern warship entails important consequences. These great modern warships require large docks to contain them. I think we are getting on well with the provision of docks. At this moment in our own country and abroad we have, I think, 13 Government Docks which will take in our largest ship, the *Dreadnought*. I think in the course of the next two years we shall have four more, which will make about 17 altogether. But it is very desirable that we should have in all parts of the world docks which could take such great ships, supposing they were to meet with an accident or were to receive damage in war.'

Then the Prime Minister said himself further—I will only read a word or two:

> But all these spasmodic efforts would not, to my mind, furnish a proper defence of the British Empire. How should that be done? We should proceed as we have done with our Militia. We should consult with the Naval authorities of the British Government, as my honourable colleague the Minister of Militia (Sir Frederick Borden) has done with the Council of Defence in London; and after having organised a plan, we should carry it out in Canada with our own resources and out of our own money. This is the policy which commends itself to the Government.

So that we are limited, I think, so far as this discussion is concerned, to the terms of the Resolution. Now, I am not prepared to criticise and I am not capable of criticising this Memorandum which has been laid before the Conference, and which has been so fully explained by the First Lord. I would, however, desire to say one or two things. I think that we are bound to consider local conditions in the different Dominions, at any rate we must do it in Canada. We have two coasts; we have the Atlantic and the Pacific coasts, separated by 4,000 miles of territory, and I take it that it would not be at all in accordance with, and it would not satisfy in any regard the ambitions of the Canadian people to place a Naval unit on one ocean and rely entirely upon the protection to be derived from the great Navy on the other ocean. On the Atlantic Ocean we have seven-eighths of the whole of the population interested in such matters. It is country which has been much longer settled than the West, and full of people who are taking a very keen interest in all these matters, and if there is anything at all in the idea, as I believe there is, of allowing the people to see for themselves what they are doing in these matters of defence, it would not satisfy in any way the ambitions, as I have said, of the people on the Atlantic border to have a Navy exclusively limited to Pacific waters. I make this observation because it was suggested, I think, in the speech of the First Lord, that possibly Canada might wish to contribute assistance in that direction.

Mr. [R.] McKenna[1]: May I interrupt to say—to start with that?

Sir Frederick Borden: To start with that, certainly, but I am inclined to think that we should start on both coasts at once, that that would be the only thing that would satisfy our people thoroughly. There is a great anxiety to begin at once the work of laying the foundation of the establishment of a Navy or Navies in Canada to co-operate with the British Navy. I am not going to detain the Conference by going into the details of this matter, but we were sent here, Mr. Brodeur and myself, by the Prime Minister for the purpose in the first place of consulting with the Admiralty with reference to the best way in which we could begin the foundation of a Navy and at the same time to co-operate in doing it with the Admiralty and with the British Navy.

My colleague, Mr. Brodeur, will be able to state whether he has any proposals to make, and I would like to leave that part of the discussion to

[1] Reginald McKenna, United Kingdom, First Lord of the Admiralty, 1908-11.

him; but I would say before concluding my remarks that it seems to me we should at once—again I offer this suggestion—appoint a Sub-Committee under Clause 15 of your memorandum to begin the work under the different headings (*a*), (*b*), and (*c*). I cannot see why this should not be done immediately. (*a*) is "The means of reconciling the local control of the Dominion Government over its Naval Forces with the principle of unity of command in time of War." It does not make any difference what peculiar or special line any one of the different Dominions is to take. That is an important principle which must be settled. (*b*) is "The best means of arranging for the close connection as regards ships and personnel between the local and Imperial Naval Forces which is essential to enable these Forces to attain the same standard of efficiency." The same observation applies to that. And (*c*) is "The arrangements to be made during the transitional period pending the establishment of a complete Fleet unit." Therefore, I would hope that the work suggested by this clause might be taken up at the earliest possible moment.

Mr. [L. P.] BRODEUR: Lord Crewe, I may say as a complement to what has been said by my colleague, Sir Frederick Borden, that immediately after the Canadian Parliament adopted the Resolution which he has read, it was decided by the Government, and I think you, my Lord, were so informed, to send the Minister of Militia and the Minister of Marine to England to confer with the Admiralty and with the Imperial authorities as to the best way of carrying out this Resolution. Some time after that decision was arrived at by the Government we got an invitation to come to this Conference. We accepted the invitation in order to have the opportunity by attending this Conference of having the benefit of the views of the Imperial authorities as to the best method to be pursued in the establishment of our local forces.

I may say that I have read with very much interest the memorandum which has been prepared by the Admiralty. I am very glad to find out in that memorandum—and I am sure the people of Canada will appreciate the fact—that the Imperial authorities are willing to recognise that on this question of Naval Defence local autonomy should be preserved. There had been in former years, I think in 1902, a proposal that a contribution should be made. I think, if I remember right, that at the Conference of 1902 a formal proposal to that effect was made by the First Lord of the Admiralty. The Canadian Government, by its Prime Minister, was obliged then to declare that such a settlement of the question of defence would not be acceptable to the Canadian people, and we have seen, Lord Crewe, by the Resolution which has just been read by my colleague, that Sir Wilfrid was certainly then voicing the sentiments of the country, because the Canadian Parliament unanimously decided that under the present constitutional relations between the Mother Country and the self-governing Dominions the payment of a contribution to the Imperial Treasury for naval purposes or military purposes would not, so far as Canada is concerned, be the most satisfactory solution of the question of defence. But I was very glad to see that at the Conference of 1907 the idea of a contribution was, if not entirely abandoned, largely abandoned by the

Imperial authorities, and the suggestion was made then that Canada and the self-governing Colonies should start a system of home defence by which new sources of strength could be established for the defence of the Empire.

I must say that even before 1907, and as a consequence of the statements which were made at the Conference of 1902, we started immediately the nucleus of a Navy. We bought a cruiser which we put on the Atlantic coast, which was not a very large one it is true, but which was a beginning tending to show our desire and our wish to carry out the idea which had been announced at the Conference of 1902. I might perhaps say at the outset in connection with that, that we are obliged to maintain in Canada on the two coasts, the Atlantic and the Pacific, a Fisheries Protection Service. Formerly that service was carried on by the Imperial authorities, but we took it over some years ago and we have to maintain there a certain Fleet. The Fleet that we have now there is not sufficient for the purpose which we have in view. We would require certainly on the Pacific coast at least one if not two cruisers for the purpose of protecting our fisheries not against our own people, but against Americans, who are coming into our waters under the Treaty of 1818, and who are poaching. On the Atlantic coast our protection is fairly good and probably sufficient. On the Pacific coast it is not sufficient and would require to be increased. This service would require to be increased, as I have just stated, and in connection with it we are anxious to establish a local naval force which would probably be useful in case of war. We have got a large population of seamen, of fishermen, who could be trained, and whose services later on in case of war could be called upon. I am sure that they would be willing to tender their services for the general defence of the Empire, and the training which they would receive in that way would be, I think, very advantageous, and they would probably form the nucleus of a reserve of great usefulness.

In 1907, as my colleague has just stated, it was declared by the First Lord of the Admiralty that some local force could be established in the different Dominions that could be of use for the defence of the Empire. I need not repeat what has been said; my colleague has just read the most important parts of the statement which was then made by Lord Tweedmouth. Lord Tweedmouth was suggesting the construction of docks, the establishment of flotillas composed of submarines and torpedo boats, and some other local services of the same nature. We would be willing to go even further than that, and to establish some cruisers, not, perhaps, cruisers of the same importance as the one which has been suggested, but we would be willing to improve and extend that service on the proposition which was then made. I do not know whether the Admiralty are still of opinion that submarines and torpedo boats would be of great service. We would be very glad if we could have some conference with the Admiralty as to that. At all events, we are willing to extend and to improve the existing service, and to increase it, in order that it should be not only a local service, but that it should be also a local force. Perhaps there may have been some misunderstanding as to the nature of the Resolution which we passed, because we used the words "Local

Naval Service"; but I may say that the intention of Parliament there was not only to undertake some service like the construction of docks, signal service, hydrographic survey, taking over some dockyards, and establishing naval militia, or some similar organisation, but we had also in our minds the creation of local forces which might, in case of war, if Parliament so decided, or the Government so decided, be joined to the British Navy for the general defence of the Empire.

Now I should be very glad if the Admiralty would take into consideration the Resolution that we have passed in the light of the facts which I have just mentioned, and tell us in what respect we could carry out satisfactorily the opinions of the Canadian Parliament, and at the same time carry out the project which would be acceptable to them and which they would consider advantageous to Canada and the British Empire. That would be my suggestion. Perhaps it is not necessary that we should discuss those proposals at the General Conference, because it will not be a matter of great interest to the Representatives of the other Colonies; but if you, Lord Crewe, thought that my suggestion could be acceded to, of a conference at the Admiralty, we would be willing to confer with them in order to carry out the Resolution we have passed, and in order also to obtain from them their advice as to the best way of carrying out our idea and the idea of the Imperial Government.

A suggestion has been made—and perhaps I might refer to it in passing—which, perhaps, also the Admiralty could examine when we come to discuss with them the details of our Resolution. It is not absolutely in conformity with our Resolution, but I think it would be acceptable to the Canadian people, and so in that view the Admiralty might perhaps consider the matter. It has been suggested that we might have cruisers which in time of peace could be used on the trade routes as merchant vessels, but which should be built under the supervision or under the instructions of the British Admiralty, and should be armed or provided with guns which might be put on board if war happens. These ships would be, during peace—as I have just stated—used to carry the traffic between Canada and Great Britain and would be subsidised by the Government. I am under the impression that if such cruisers were acceptable, and were considered as a good means of defence, it would be, perhaps as far as we are concerned, a very good way of contributing our share to the defence of the Empire. Those vessels, as I have just stated, would be used as trade carrying vessels during time of peace, and would be manned by persons who had had very good naval training—naval officers of repute—and manned also by a crew which, in case of war, could be utilised for the purpose I have just mentioned. I do not know about the merits of that suggestion from a strategical point of view, but as far as I am concerned, I would like very much to get the opinion of the Admiralty on such a proposition. We are in Canada—and I am glad this fact has been recognised by the statements which have been made to us and by the Admiralty memorandum—in very exceptional circumstances. We have got two coasts to defend, the Atlantic and the Pacific coasts. We have been trying,

in later years especially, to divert the trade of Canada towards Great Britain. Almost all our trade was previously going through the United States—even the trade with Great Britain. We have been obliged, in order to divert the trade towards Canadian channels, and towards Great Britain, to make a very large and extensive expenditure. We are now building two other trans-continentals in order to carry out our aim. We have built canals which have cost the country very large sums of money, and which we have been obliged to make in order to make the grain from the West pass through the Canadian route. We have been obliged also to improve our lighting system at a very large cost without charging anything to the shipping which frequent our ports, and that shipping, I might say, would be 95 per cent of British vessels. All those improvements, all those works which have been done have been done for the purpose of increasing our trade with Great Britain, and thus cementing more and more the relations existing between our Colony and the United Kingdom. I think we have been somewhat successful in the efforts we have made in that direction. We are willing, I repeat, to cement more and more the relations which exist between the United Kingdom and Canada, not only in a commercial way, but also in such a way as will show that we are willing to take a larger share in the defence of Canada, and consequently in the defence of the Empire, and relieve the British taxpayer of so much of his burden.

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Sir FREDERICK BORDEN: I would like to ask one question, if I may at this stage. I did not understand that this Conference was to decide the question as to whether a certain policy should be adopted as to local navies or contributions. It seems to me that it would be a very undesirable thing if a vote were taken at this Conference with any intention of deciding any such principle as that.

CHAIRMAN [Earl of Crewe]: I do not think in one sense this Conference is empowered to decide that, or indeed any proposition of a purely general character. We have laid it down all through as our opinion that each Dominion must form its own ideas as to the manner in which, if it chooses to contribute to Naval Defence, it thinks it can best do so, and of course it is obvious that no Dominion Government can be bound in any way by any Resolution or expression of opinion passed at this Conference. Those expressions of opinion, of course, have their distinct value, but it is perfectly clear that no Dominion Government would consider itself bound by any expression of that kind.

Sir FREDERICK BORDEN: But, my Lord, passing such a Resolution here might create difficulties which I think it is quite unnecessary should be created.

CHAIRMAN: I think it is a matter for consideration whether it would be wise for this Conference formally to pass any definite Resolution at all. That is a matter I should like to let stand over, if the Conference would allow it.

August 6, 1909

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Sir FREDERICK BORDEN: I want first to express my unconditional satisfaction with the observations which have just fallen from the First Lord, so far as they were general and so far as they referred to Canada.

I was very careful in what I said yesterday not to say that the Admiralty Memorandum was in any way inconsistent with the position of Canada, except to point out that the resolution passed unanimously by the Canadian Government referred to a certain specific statement made by the First Lord of the Admiralty in 1907, from which it might, and I think does, appear, that it might be possible—at any rate it led us to believe it would be possible—to begin the establishment of a navy in a smaller way than that indicated in the Memorandum. That was all I wished to point out. That is to say, I inferred, from the First Lord's statement in 1907, that we could begin with smaller ships and build the larger ones later on. But the ideal of Canada is the construction of a navy as complete as possible, first for local defence, and secondly to co-operate with the Imperial Navy.

There is one point with reference to the expense involved in the unit proposed, which is stated by the First Lord to be £600,000, although he said that that would very likely be greater in the case of the Dominions. I have made a somewhat careful calculation, and it seems to me that if you include the auxiliaries which are referred to in this memorandum, the annual cost, including also interest and sinking fund, could not be less than £800,000 to Canada. But I am not quarrelling even with that amount; I only wanted to state our view with regard to that.

I would like, if I may, just to say two or three words with reference to the discussion which took place yesterday. I think it is only right that I should do so. I do not wish to precipitate controversy, which is the last thing I want to do; but, inasmuch as some criticisms, more or less severe, were made upon the scheme of building indigenous navies—I have heard the word applied to navies—in the different Dominions, and a suggestion was made that they would not only be useless but absolutely harmful, I think I would like to say a word or two with regard to it. Now I have no quarrel with the idea of the payment of local contributions. I think it was stated by Sir Joseph Ward, in 1907, that his country was engaged in the construction of railways by the Government, and large public works; that they were a small community with a small population, and that it was from financial considerations absolutely impossible for New Zealand to undertake the construction of a navy. I understood that to be the principal reason; it was the principal reason stated by him in 1907. I can quite understand that Newfoundland could not think of any such thing; it is financially impossible—absolutely impossible. I understand that in South Africa, even at the present moment, it would be impossible. But in the case of Australia and Canada the conditions are entirely different. In the case of Canada, at any rate, we have a country with seven millions of people, rapidly increasing yearly to the extent of from half a million to a million people probably, and a country that in five years

more, probably at the time of the next census, two years hence, may show a population of eight millions of people, with a very large and rapidly increasing revenue. We are a young nation, and we take pleasure—and it pleases our people in their national pride and aspirations—in calling ourselves a young nation. Well, it seems to me one of the first duties of a young nation is to defend itself. My country, at any rate, do not feel that we are going to pay anybody or hire anybody to do that which we ought to do ourselves, so long as we are able to do it. That, I think, fairly expresses the aspirations of the Canadian people.

There is a question which I think is superior to any question of strategy. We are told here that strategy is against the idea of local navies. I have no doubt it is, and I would add that convenience is against it. But it is the business of statesmen, and the business of admirals and generals, to overcome difficulties of this kind, and strategy must take a second place to Constitutional Government. Those are the lines upon which I have presented this view, and I thought it was only fair to my country that it should be understood why it is that we take the view we do. I do not believe there is any insuperable difficulty. You might say the same thing with reference to our land forces; why should not we employ the British Government, the War Office, to do all our work of defence? Why have any local militia or local forces? We have local militia and local forces, and we have developed them until to-day the War Office has evolved a scheme by which we are on the threshold, at any rate, of the establishment of an Imperial Army—a method by which the forces of the armies of the different Dominions can absolutely co-operate and form a whole.

Take this country itself. In deference to public opinion we have a certain system upon which the Army of Great Britain is organised. It is probably, from a strategical point of view, not the best system. The German method is infinitely better, but you cannot adopt the German method in England because the English people will not put up with it. Therefore you have to do the best thing you can. And we have turned our attention to evolving a plan which I believe is bound to be satisfactory. My Lord Chairman, the British people some years ago took charge of the Government of this country and the control of the Army, and, as a matter of fact, as I suppose every one here knows, the Army exists only by virtue of an annual Act of Parliament. It is a formality, but it is a fact that the Army would come to an end if it were not for an annual Act of Parliament passed to continue it. So the people have asserted their control. You are a democratic people, and we are just as democratic, and perhaps more democratic than you are here. I think myself that there is no very great difficulty. It is a matter for the soldiers and the statesmen to solve; but it seems to me that, on the lines we propose in regard to the construction of a navy, there should be no difficulty whatever in allotting to the Navy of Canada its proper share of the work of upholding the Empire, and on such terms and conditions and by such arrangements

so that, if a war unfortunately occurred, our navy would be utilised and would become a part at once of the British Navy. One objection put forward was that if a serious war came, forsooth, some particular navy, Australian or Canadian, might refuse to act. Surely it is only necessary to present that view to see how absolutely necessary it is that there should be individual navies. In the same way a particular Dominion which contributes £200,000 a year, or £40,000, as the case may be, might refuse to give that £200,000 or £40,000. There is no point in that and no argument in that. I will not detain the Conference further, but I thought it only proper to present this point of view.

August 19, 1909

CHAIRMAN: Gentlemen, I propose first to ask the Secretary of State for War to say a word upon the result of the Sub-Conference on Military Defence, a Paper as to which has been circulated to the Delegates.

Mr. HALDANE: This Paper, which is dated 10th August, embodies the result of the series of Conferences which followed upon the general discussion which took place here and afterwards at the War Office. The conclusions come to, as far as I am competent to judge, carry out faithfully what we agreed on, that is to say, they fall within the limits of what was agreed on as practicable. They have been very closely worked out, and in substance they do two things. They perfect the machinery for the creation of the General Staff of the Empire. That General Staff will, for the future, if this is approved, be a single General Staff, the Imperial General Staff, with its own local sections here and in the Dominions over the seas; and the working out of interchanges is shown in this Paper. The other part is the outcome of discussion as to War Establishments. We have recognised in the results of these Conferences the necessity of elasticity, having regard to local conditions, and the agreement of the experts as to broad lines. These settle the various component units in an Army. Although these units will be completely under local control they can yet be used for a combined purpose of defence in case of necessity, and are framed on general principles which give uniformity of pattern.

I do not know that I can really say more. It is a very clear Paper, and a very short Paper, and I think all the members of the Conference have seen it, and if it commends itself I hope we may adopt it, because I feel sure it marks a great step on towards the laying of the foundations on which we can gradually evolve something substantial.

CHAIRMAN: I do not know whether any of the Delegates wish to make any observations on this Paper.

Sir FREDERICK BORDEN: I have watched the proceedings of the Sub-Conference very carefully, and I agree entirely with the observations that have fallen from the Secretary of State for War. I think there is nothing objectionable in the recommendation, and all that has been done is in the right direction. I think it is very desirable that we should adopt it.

379. *Notes of Proceedings of Conference at the Admiralty between Representatives of the Admiralty and the Dominion of Canada to work out a scheme for the establishment of a Canadian Navy*

August 9, 1909

Mr. [R.] McKenna explained that before advice could be given for the establishment of a Canadian Navy, it was necessary for the Admiralty to know approximately what sum of money would be available annually for naval purposes, and what charges had to be met from that sum for essential local services not of a purely naval character.

Mr. [L. P.] Brodeur stated that the amount had never been discussed by the Government, but the request was a very legitimate one, and he would suggest that two schemes should be prepared, one entailing an expenditure of £400,000, and the other £600,000. The fisheries protection service now cost £50,000 per annum, and, although it would probably be convenient for this service to be paid out of the same appropriation, the annual cost, £50,000, should not be regarded as a charge against the sum of £400,000 or £600,000 available for naval purposes, but as additional to that sum; so that the annual sum available for naval estimates might be assumed to be £450,000 to £650,000.

The other charges against that sum were the cost of the maintenance of the naval dockyards at Halifax and Esquimalt, which he estimated would amount to £40,000 per annum (exclusive of the cost of maintaining that part of the dockyards which is allotted to the buoyage service) and the wireless telegraphy service, the cost of which was about £8,000 per annum.

He accordingly requested that the Admiralty might prepare alternative schemes costing £400,000 per annum and £600,000 per annum for the establishment of a Canadian Navy.

He pointed out that there was still some uncertainty in Canada as to the position of the Dominion Government in regard to the dockyards of Halifax and Esquimalt. The Dominion Government had had temporary possession of Halifax dockyard for two years, but no formal transfer had been made and while this state of uncertainty as to their position continued the Canadian Government were unwilling to expend money on buildings or repairs.

Construction of docks will have also to be considered.

Mr. McKenna explained that before the dockyards could be formally transferred to the Canadian Government the authority of the Imperial Parliament had to be obtained. A Bill had been drafted to enable this to be done, and he hoped that it would be passed by Parliament before the end of this session. In the meanwhile the Canadian Government had been informed that Esquimalt could be transferred to them provisionally in the same way as Halifax Dockyard.

Sir JOHN FISHER[1] stated that from the purely naval and strategic point of view there was little to add to the Admiralty Memorandum which had been laid before the members of the Imperial Conference. The Admiralty, after careful consideration of the question, had arrived at the conclusion that the establishment of fleet units as recommended in that Memorandum was the most advantageous course. And this recommendation expressed not only the views of the present Board of Admiralty, but also the opinion of Admiral of the Fleet Sir Arthur Wilson, and of the Committee of Imperial Defence who had considered the question.

If funds would not permit of the Canadian Government at once undertaking the formation of a complete fleet unit, he urged that a beginning should be made with a vessel of the *Indomitable* class.

Without the *Indomitable* the smaller vessels of the fleet unit would strategically be of little value. They could not deal unaided with the more powerful foreign commerce destroyers, whereas the *Indomitable* with her great speed and radius of action could either catch up or avoid any vessel afloat, and her gun-power would enable her to deal with any hostile vessel that might be employed in operations against our oversea trade. If the Canadian Government proceeded with the construction of a vessel of the *Indomitable* type, the vessel, when completed, should be stationed on the Pacific coast.

He recommended the employment of the vessel on the Pacific coast, rather than on the Atlantic coast, because the full power of the British fleet could readily be brought to bear in the Western Atlantic in case of need, while the addition of an *Indomitable* to our naval forces in the Pacific would be of very great value.

A further reason for stationing the vessel on the Pacific coast was, that the United States would regard Canadian vessels in these waters as potential support to them against Japan, whereas, if stationed on the Atlantic, such vessels might have the effect of stimulating the United States Government to extend their building programme—a development which was as little desired by the British Government as by the Canadian Government.

He put these suggestions forward as the advice of the Admiralty, based purely on naval strategical considerations. He was aware that there were other factors in the situation which the Canadian Government could not ignore; and if they were unable to adopt these suggestions, the Admiralty would be prepared to make alternative proposals.

Sir F. BORDEN concurred generally in the recommendations of the Admiralty for the establishment of fleet units, as an ideal to be aimed at, but he considered that for various reasons, it was not practicable for the Dominion Government at once to proceed with the construction of a vessel of the *Indomitable* class, as the first step towards the creation of a Canadian Navy.

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[1] First Sea Lord, United Kingdom, 1904-1910, 1914-1915.

The bulk of the population of Canada was in the Eastern Provinces, and if an *Indomitable* was placed on the Pacific coast as proposed, there would at once be a demand for another *Indomitable* to be built and placed on the Atlantic coast, and if that demand was complied with, it would probably result in rivalry in shipbuilding with the United States, which Sir John Fisher rightly deprecated.

Further, it must be remembered that Canada was only beginning to establish a navy, and that it was desirable to proceed gradually, by gaining experience with vessels of a smaller type in the first instance.

Mr. BRODEUR pointed out that a large section of the population of Canada took no interest in naval developments, and if the Dominion Government tried to go too fast at the beginning, opposition would be aroused which might result in nothing of practical value being done.

The seafaring and fishing population on the Atlantic coast, however, afforded excellent material for a naval force, and, in order that they might be fully utilised, it would be necessary for them to maintain ships on the Atlantic coast.

He desired that a practicable scheme should be worked out that could be laid before the Canadian Parliament next session.

Mr. MCKENNA suggested that if for political reasons the suggestion that an *Indomitable* should be laid down in the first instance does not commend itself to the Dominion Government, the Admiralty would be quite ready to modify their proposals, assuming that a permanent naval force were aimed at. If, for example, the construction of the *Indomitable* was for the present held over, the Canadian Government might begin with four small cruisers of the *Bristol* class, one *Boadicea* (as mother-vessel to the destroyer flotilla), six destroyers, and three submarine vessels. This force could, he thought, be provided for about £600,000 per annum; but if not, the cost could be brought within that figure by omitting one of the four vessels of the *Bristol* class. A force of this nature would provide a naval career for all ranks, which was an essential condition in establishing a local navy. He suggested that some of these vessels might be stationed on the Atlantic coast and some on the Pacific coast; the Admiralty would be prepared to give the strategic justification for their distribution.

Mr. BRODEUR pointed out that it was important that the training of personnel should at once be proceeded with, and he inquired if the Admiralty could hand over to the Canadian Government one or two cruisers with instructors and officers for this purpose, the cost to be borne by the Canadian Government. He also inquired whether the Admiralty would be prepared to admit cadets destined for the Canadian Navy to Osborne and Dartmouth. He thought ten cadetships per annum would meet their requirements.

Mr. MCKENNA stated the establishments at Osborne and Dartmouth were at present full, but he considered that it was of the highest importance that the officers of the Canadian Navy should have the same standard of training and discipline as the officers of the British Navy. He therefore readily under-

took to meet the wishes of the Canadian Government in the matter, although the provision of additional accommodation at Osborne and Dartmouth, which might take a year, would probably be necessary.

As regards the provision of a cruiser and instructors for training purposes, the Admiralty would endeavour to comply with the request of the Canadian Government.

It was decided that the Director of Naval Intelligence and Admiral Kingsmill should work out the details of a scheme for the establishment of a naval force, on the lines suggested, with a permanent personnel of 1,500 to 2,000 men, the resolution of the Canadian House of Parliament of the 29th March 1909, being adopted as the basis on which to work. The Sub-Conference should reassemble in about a week, when the details of the scheme have been worked out.[1]

380. *Governor General to Prime Minister*

Ottawa, January 10, 1910

My dear Sir Wilfrid,

Before the end of this month the people of the United Kingdom will have decided into whose hands to entrust the administration of their affairs.

I submit the time is opportune for sending a reply to the despatch of 12th February 1909 asking whether His Majesty's Canadian Government desire to suggest any question for discussion at the approaching Imperial Conference in 1911.

You will remember that on your return from the Conference in 1907, in discussing the results of the Conference, you pointed out to me, that although the resolution of H.M. Government to make a complete separation of the Departments of the Colonial Office dealing with:

1. the self-governing Dominions;
2. the Crown Colonies, Protectorates, Spheres of Influence, etc.

was a satisfactory step forward towards the fuller recognition of the autonomy of the Dominions, in your opinion it was desirable that further steps should be taken in this direction, and that the Department of His Majesty's Government dealing with the affairs relating to the self-governing Dominions, should be a separate Department under a roof of its own, and with a Minister of its own.

On more than one occasion since, we have had discussions on the same subject, in which I have unreservedly concurred in your view that such a change as you have suggested is inevitable, demanded as it is by the dignity of the Dominions, and by the growing consciousness that they have risen from the status of subordinate to the high position of co-ordinate States in the Empire.

I have received private intimation from London that it seems certain that the next Conference will consider this proposition.

[1] The arrangements arrived at in further meetings are set forth in Cd. 4948, 1909.

I confess I should like, for many reasons, the lead in this direction to be given by Canada, who under your guidance has given the lead so often along the pathway of Imperial evolution, and especially by you individually.

I am aware that you have at times felt acutely the unpleasantness of opposing your views to those of your colleagues at the Imperial Conferences, who have figured in the public eye at the moment as the most ardent Imperialists. I have fully sympathised with your feelings on this subject, and have done my utmost to prevent erroneous estimates being made at home of the motives inspiring your action.

I believe the statesmanship and character shown by the position taken by you at the Conferences of 1902 and 1907, are now beginning to find recognition among an increasing number of His Majesty's subjects, and that if you, in full consistency with the attitude adopted by you in former Conferences, were now to give the lead along the well-considered path of sane Imperialism, founded on the ungrudging recognition of the autonomous rights of the Dominions, the recognition would become universal that you had been from the first the soundest and sanest Imperialist of the whole.

It is unnecessary in this letter to point out the advantages in drawing more closely together the co-ordinate States of the Empire, that would result from the establishment of a Dominion Department, in a building in which room might possibly be found for the housing in a manner befitting the dignity of the Dominions, of the London Offices of the various High Commissioners and Agents General.

There is another subject which I am aware you are considering, and which I hope you may decide to bring before the attention of the approaching Imperial Conference, and that is the desirability of uniting the British Empire in a common resolution to establish a financial boycott against any country that may wantonly rush into war without previously submitting the cause of dispute to the Hague Tribunal.

The success that has attended the administration of the Lemieux Act, with regard to Industrial Disputes, gives Canada, in my opinion, a special right to take the lead in this still more important field, by suggesting to the Empire that it should endeavour to persuade the civilised nations to apply to International disputes the same principle that has been so successfully applied by Canada to Industrial disputes. Your own personal position in the Empire, your long experience, and your well known horror of war, would appear also to point you out as the right man to bring this matter before the attention of the Empire and indirectly of the whole English-speaking world.

I would point out that the probable result of your submitting this suggestion to H. M. Government as a proper subject for discussion at the approaching Imperial Conference, would cause this proposal to be discussed in every part of the British Empire by those who share with you and with Canada the desire to save the Empire and civilized humanity from carrying the ever increasing burden of swollen and crushing armaments.

The probability is that as soon as your suggestion had become a matter of common knowledge, the various Churches of the United States would unite in a common pressure upon the United States Executive, to co-operate with the British Empire in action, the effect of which might make it more difficult for any aggressive power to rush into war without first submitting its grievance to the consideration of the Hague Tribunal.

Should I be correct in these anticipations, the fact that the lead of the English-speaking peoples had come from the Province of Quebec, would surely be specially acceptable to the people of your own Province, and enable them to realise the advantage their position in the Empire gives them in enabling their influence to make itself felt in the councils of the world.

Yours very sincerely,

GREY

381. *Order in Council*

P.C. 1485 July 21, 1910

The Committee of the Privy Council have had before them a report, dated 7th July, 1910, from the Secretary of State for External Affairs, to whom was referred a despatch, dated 9th March, 1910, from the Right Honourable the Principal Secretary of State for the Colonies, on the subject of the issue of Orders in Council for the transfer to the Canadian Government of the Admiralty properties at Halifax and Esquimalt.

The Minister states that, with regard to Esquimalt, the Government of Canada will be prepared to take over Esquimalt Dockyard on the 1st November, 1910.[1]

The Committee, on the recommendation of the Secretary of State for External Affairs, advise that Your Excellency may be pleased to inform the Right Honourable the Principal Secretary of State for the Colonies in the sense of this Minute.

All which is respectfully submitted for approval.

382. *Governor General to Colonial Secretary*

DESPATCH 23

Ottawa, January 16, 1911

Sir,

With reference to Lord Crewe's despatch of the 12th February, 1909, and subsequent correspondence on the subject of the Imperial Conference of 1911, I have the honour to transmit, herewith, for your information, copies of an approved Minute of His Majesty's Privy Council for Canada[2] stating

[1] The Esquimalt naval base was not taken over by Canada until November 9, 1910, after the arrival of H.M.C.S. *Rainbow*. The final authority for the transfer of the two naval bases was two British Orders in Council: that for Halifax being dated October 13, 1910; for Esquimalt May 4, 1911.

[2] P.C. 43 of January 11, 1911. Not printed.

that, while my responsible advisers have no suggestions to make as to what should form the subject of the deliberations of the approaching Conference, they will be prepared to take part in the discussion of whatever subjects may be proposed for consideration by His Majesty's Government or by those of the other self-governing Dominions.

You will observe that my responsible advisers would welcome suggestions looking to uniformity as far as practicable in the Naturalisation Laws throughout His Majesty's Dominions.

I have etc.

[GREY]

383. *Colonial Secretary to Governor General*

DESPATCH 128

My Lord, Downing Street, February 24, 1911

With reference to my despatch No. 38 of the 20th of January, forwarding the agenda for the Imperial Conference, I have the honour to transmit to Your Excellency for the information of your Ministers, six copies of a memorandum which has been prepared in this Department dealing with the proposal of the Government of New Zealand that the Conference should be open to the public press except as regards confidential subjects.

I have etc.

L. HARCOURT

[ENCLOSURE]

Memorandum

Colonial Office, February 16, 1911

The following resolution is proposed to be submitted to the Imperial Conference by the Government of New Zealand:—"That the Conference be open to the Press, except when the subjects are confidential."

The precedents in recent years in the matter of publication are as follows:

(*a*) In the case of the Colonial Conference of 1902 (and the Defence Conference of 1909) there were published only resolutions or results and a selection of speeches and memoranda, the actual proceedings being kept confidential.

(*b*) In the case of the Colonial Conference of 1907 it was arranged at the beginning of the Conference that a *précis* of the proceedings should be issued daily to the Press, after revision by members of the matter which concerned them. The question of publication was deferred nearly to the end of the Conference, and it was then decided to publish the full text of the proceedings[1] and the papers laid before the Conference except in so far as they were held by the Conference to be confidential.

[1] Cd. 3523, 1907.

There is no precedent for the admission of the Press to the meetings of the Conference.

In 1907 Mr. Deakin[1] expressed the view that [it] was advisable to keep the public in close touch with the Conference, and that the Press might safely be admitted to most of the discussions. This course did not, however, commend itself to the Conference. It was stated by Sir Wilfrid Laurier that if the proceedings were published from day to day "there might perhaps arise a premature discussion on certain matters." Lord Elgin also stated that "it would be inexpedient to publish day by day. After all, this must partake largely of the character of a confidential discussion across the table. . . . the ordinary course of the procedure will be surely confidential and conversational discussion across this table, and therefore I think it is essential that each member of the Conference should have not only an opportunity of seeing, but of revising the report of what he has said."

On the other hand, some members of the Conference, notably Sir Wilfrid Laurier and Sir Joseph Ward, expressed the view that course (*a*) above stated would not be satisfactory on the ground that the information published in accordance with it was very meagre and of little use in informing the public.

The result of the discussion was the unanimous adoption of course (*b*), which was judged to have the advantage of keeping the public acquainted with the Conference as it proceeded, and at the same time of eventually affording opportunities for full acquaintance with the proceedings of the Conference, so far as this was possible without risk to the interests of the State.

It has been pointed out in the despatch of the Secretary of State of 20th January, relating to the agenda of the Conference, that this question will require to be settled by the Conference at its first meeting.

384. *Extracts from Minutes of Proceedings of the Imperial Conference, 1911*

May 23, 1911

PUBLICITY OF PROCEEDINGS

"That the Conference be open to the Press except when the subjects are confidential."

. . .

Sir WILFRID LAURIER: Mr. Asquith, the subject which is now brought forward to the attention of the Conference by my friend, Sir Joseph Ward, engaged at some length the attention of the last Conference. Opinions were divided upon this point, but finally the majority came to the conclusion that it would not be advisable to have the Press admitted to the sittings of this Conference, and the Resolution which was finally carried was that a record should be taken of what is said here, and a *précis* given to the Press every day.

[1] Alfred Deakin, Prime Minister of Australia, 1903-04, 1905-08, 1909-10.

I may observe to Sir Joseph Ward that the people of New Zealand, so far as the proceedings of this Conference took place from day to day, were as well informed as the people of London, or the people of Australia, or the people of Canada. Perhaps, in Australia or in Canada they may have had a little more information, because there were enterprising journalists, newspaper men, who undertook to comment and to get what information they could, and sent it to their respective papers, both in the capital here in London and the respective Dominions to which they belonged. The rule as adopted, worked fairly well. I am sorry I did not then agree with Sir Joseph Ward. Like all rules it was not carried quite unanimously; the words used by Sir Joseph Ward show that it was not carried with unanimity, but I think on the whole, the majority was satisfied with the result.

For my part, I would see very great objections on broad principles to have the Press admitted, because it would be practically admitting the public to these Conferences. The moment the Press is here the whole public is admitted, and the discussion which takes place—I was going to use the word negotiations and I think that would not be out of place—the deliberations at all events, would I am afraid, if the public were admitted from day to day, fall immediately into the domain, I will not say of party politics, but at all events of public discussion. If these Conferences are to have any good result (and I am sure they will) we are all agreed as to this point. I think it better that we should keep to this Conference the character of a Conference, that is to say, of deliberation, discussion, negotiation, trying to get a unanimous conclusion upon all the questions which are debated. We are all one here, and Mr. Asquith very properly said that when we cross this threshold we leave party politics behind. We leave all party spirit behind. As British subjects we are discussing Imperial questions and we cannot hope that upon each subject, as on any other subject, we can be unanimous. There must be differences of opinion, and the object of this Conference is, upon all these questions, to try to come to a unanimous conclusion. If we are, therefore, to reach this goal which would inspire us upon all questions that come forward, I think we must do as is done in all these matters, preserve the secrecy of these deliberations and give, not the differences of opinion which may exist here, but the unanimous conclusion which is reached, and for these reasons for my own part, if Sir Joseph Ward presses his motion to a conclusion, I should have to vote against it.[1]

. . .

IMPERIAL COUNCIL

May 25, 1911

. . .

Sir WILFRID LAURIER: Mr. Asquith, the resolution which has been moved by Sir Joseph Ward may be repeated again so that we may understand exactly where we are: "That the Empire has now reached a stage of Imperial development which renders it expedient that there should be an

[1] The resolution suggesting publicity for the proceedings of the Imperial Conference was withdrawn by Sir Joseph Ward on the same day.

Imperial Council of State with representatives from all the self-governing parts of the Empire, in theory and in fact advisory to the Imperial Government on all questions affecting the interests of His Majesty's Dominions Oversea."

Sir Joseph Ward will forgive me for saying at the outset that the argument which he has addressed to us is not in any way germane to the resolution which he has moved. The argument which he addressed to us is not for the creation of a Council advisory to the Imperial authorities, it is for an entirely different matter. I was not, I may say at once, very favourably disposed towards the resolution as it was moved, but that can be set aside. What Sir Joseph Ward has proposed is not an Advisory Council; it is a legislative body to be elected by the people of the United Kingdom and the Dominions beyond the seas—a legislative body I say with power to create expenditure and no power to create revenue. Now if there is one system which I think is indefensible it is the creation of a body which should have the power to expend at its own sweet will without having the responsibility of providing for the revenue to carry on the expenditure.

That seems to me at once to dispose of the matter. This body suggested by Sir Joseph Ward would have the power to sit, I suppose, here in London, or Ottawa, or Wellington, or in Melbourne, for the matter of that, it does not matter, and in its wisdom to say: "Well, this year the British Empire should spend £2,000,000, £5,000,000, £20,000,000 for defence, to be apportioned so much to the United Kingdom, so much to Canada, so much to Australia, so much to New Zealand, so much to South Africa, and so much to Newfoundland"; and then, as I understand the proposal of Sir Joseph Ward, this would be remitted to the respective Governments concerned, and all the Governments would be dumb agents to carry out these resolutions. The Chancellor of the Exchequer would simply have to provide so much; in Canada we would have to provide so much, in order that various munitions of war might be purchased, and so in Australia, and so in South Africa, and so in Newfoundland.

I must say, with all respect and due deference to Sir Joseph Ward, the proposal seems to me to be absolutely impracticable.[1]

. . .

RECONSTITUTION OF THE COLONIAL OFFICE

New Zealand [draft resolution]:

1. That it is essential that the Department of the Dominions be separated from that of the Crown Colonies, and that each Department be placed under a separate Permanent Under-Secretary.

2. That, in order to give due effect to modern Imperial development, it has now become advisable to change the title of Secretary of State for the Colonies to that of 'Secretary of State for Imperial Affairs.'

3. That the staff of the Secretariat be incorporated with the Dominions Department under the new Under-Secretary, and that all questions relat-

[1] Sir Joseph Ward's proposal for an Imperial Council was withdrawn shortly after Sir Wilfrid Laurier's speech.

ing to the self-governing Dominions be referred to that Department; the High Commissioners to be informed of matters affecting the Dominions, with a view to their Governments expressing their opinion on the same.

4. That the High Commissioners be invited to attend meetings of the Committee of Defence when questions on naval or military Imperial defence affecting the oversea Dominions are under discussion.

5. That the High Commissioners be invited to consult with the Foreign Minister on matters of foreign, industrial, commercial, and social affairs in which the oversea Dominions are interested, and inform their respective Governments.

6. That the High Commissioners should become the sole channel of communication between Imperial and Dominion Governments, Governors-General, and Governors on all occasions—being given identical and simultaneous information.

. . .

Sir WILFRID LAURIER: The whole object of this motion is, as I understand the motions that go before it, to provide a means of communication between the Imperial Government and the autonomous Governments of the Empire. Such a means of communication already exists, and, for my part, I must say that we are quite satisfied with the present system. The Colonial Office has been reorganized some three years ago, and I repeat what I said in Parliament, that in its present form it has given to us at all events, in Canada, ample satisfaction. As to whether it would be advisable to further bisect the present organization, or put it on a different political standing, though I and my colleagues are satisfied with what exists, we would not offer any objection if the other members of the Conference are disposed to press that point. The matter is not, according to our judgment, one which we feel strongly upon, but is one upon which we should defer to the wishes of our colleagues if they thought it preferable to press it forward. There is no difficulty with regard to that. One difficulty, however, and a serious one, arises in regard to the Committee which it is proposed to organise. What will be the position of that Committee? As I understand it will have submitted to it matters which affect one particular Dominion, and as to which perhaps there may be a difference of opinion between the Home Government and the Government of the Dominion. Is such division of opinion to be submitted to that Committee to advise upon, and is it to carry a proposition as to the solution of it, by vote? If so, this would seem to me a very cumbrous system and a very unsatisfactory one. I will give a case in point. Questions may arise between the autonomous Governments and the Imperial Government upon some matter as to which there may be some difference of opinion. That difference of opinion had much better be settled between the Home Government and the Government interested, than referred to another body, which would not be responsible to anybody.

Sir JOSEPH WARD: That same objection applies to the meeting of a conference like this.

Sir WILFRID LAURIER: No, we are representatives here, and we are not dealing with actual questions which we have to decide, but simply offering suggestions. But take a case in point: Some years ago we had in Canada a very important question, namely, the settlement of the boundary between part of His Majesty's Dominion of Canada and the United States in Alaska. It was a delicate and difficult question, and we had correspondence going on for weeks and months between the Dominion Government and the Imperial Government. We, of course, had to have the assent of the Imperial Government, because, though we were the most interested, they were interested also, as we were a part of the British Empire. We contended the boundaries were at a certain point; the United States contended they were at another point. We had to come to a solution, and we decided to refer it to arbitration. So far there was no difficulty because we should all agree that arbitration is the best manner of settling any such differences as may arise. But when we came to consider the composition of the tribunal, if I may say so without breaking any secret, we had differences with the Imperial Government which, by correspondence, we settled. Suppose there had been such a committee as is now suggested in existence at that time and that committee had been seized of the question and had suggested a solution which, perhaps, was not agreeable either to the Imperial Government or the Dominion Government, or, if satisfactory to the one, not satisfactory to the other.

I do not see that the Committee would be of the least advantage over the present system by which we should settle such a question—as we did settle it then—by mutual correspondence. I fail to see in what way any question which may arise could be solved in any manner at all better than we have at this moment. I do not know that I would press the point much further than that, but I do not see any advantage in a committee of this kind to discuss and determine matters of this nature, which are altogether of the purview of the Dominion Government interested and the Imperial Government. If there had been in the past any example where the solutions had not been satisfactory, or if there had been a grievance of any kind which had not been met, I could understand this remedy being suggested, but, so far as I am aware, no grievances of any kind have not been remedied—if any existed.

Now with regard to the status of the High Commissioners. Their status is one which is somewhat delicate, because the whole of the constitution is something new, which has never existed in the world before, for which we have no precedent, and which we have to create ourselves. The relations between the Imperial Authorities here and the Dominion Governments are themselves peculiar, as the Conference in which we are engaged is peculiar. The High Commissioner is, first of all, a representative of the autonomous Government, not only with the Government of Great Britain, but with the whole British people. The High Commissioners stand all the time for their respective Governments before the British people. They are not only ambassadors, their position in one respect is far larger; but in a technical

sense, with regard to the Imperial Government, they are in the position of ambassadors, they are in the position of confidential agents. We communicate direct with the Imperial Government, that is to say, the Governor-General communicates direct with the Imperial Government, but I am sure there are constantly occasions when a despatch is sent to the High Commissioner asking him to press the matter on and to see the Secretary of State for the Colonies and represent to him the views of the particular Dominion Government. We know that besides the official despatch there is the confidential talk, in which more meaning is conveyed than in a despatch. The High Commissioners are expected to come, or at least, many of them do come, to the Secretary of State for the Colonies to represent that the Dominion Government has sent a despatch to him on some particular question, but he wishes to press forward this or that consideration which is not included in the despatch. Therefore I think the High Commissioners serve a very useful purpose, and for my part I do not think the present arrangement can be improved; but, as I said a moment ago, if you all thought it would be better to further bisect the present Department, I am content to go with you, though I feel content with the position of things as they are.[1]

. . .

STANDING COMMITTEE

June 8, 1911

CHAIRMAN [MR. L. HARCOURT] . . . In the unavoidable absence of the Chancellor of the Exchequer to-day, I ventured with your concurrence to put down for our business the consideration of the Memorandum[2] which I have circulated in accordance with the request made by the Conference at our previous discussion. Perhaps I might briefly recapitulate the position. This offer is made on behalf of the Imperial Government in order to meet the express wishes of New Zealand and the supposed wishes of some of the other Dominions. It is a strengthening and enlarging of the Secretariat in order to secure greater continuity and co-operation in the work between one Conference and another, and on any allied questions which may properly come up for consideration as Conference questions; but those questions would always be submitted to the Dominions concerned or interested in them before they were considered by such a Standing Committee as this.

In formulating a committee I had no alternative but to suggest the only permanently resident representatives of the Dominions in Great Britain, the High Commissioners, but I was very careful to say that we should receive with equal satisfaction on such a Standing Committee any representative whom they might like to send or to nominate in place of their High Commissioners. His Majesty's Government do not wish to press this proposal upon the Conference unless it commends itself to their unanimous

[1] The New Zealand resolution calling for a reconstitution of the Colonial Office, having failed to win support from all the Dominions, was withdrawn.

[2] The Colonial Secretary's memorandum on the Standing Committee, dated May 27, 1911, is printed in Cd. 5746-1, 1911.

judgment. It would obviously be impossible to establish such a committee unless all the Dominions were taking part in it. Therefore, gentlemen, I would leave the discussion and decision of this matter entirely to yourselves.

Sir WILFRID LAURIER: As I said at the outset, I approach—and my colleagues who unfortunately are not here to-day, although I have had some discussion with them, have approached—this question with an open mind, not in any way favouring it, but we were not anxious to press our own view, and are rather anxious to take the views of our colleagues at the Conference; and certainly, for my part, I am thankful it has been done in so open a manner as it has been done.

The greatest importance is attached, and, I think, should be attached, to those Conferences which have been held periodically under the system which was adopted four years ago of Governments and Governments; but I would view with serious apprehension the interference of any body whatever between the Government here and the Governments in the respective Dominions. If this body is to be anything at all, it will try to exercise its own views and to impress its own views on the Government here and upon the other Governments. It would be either that or it would mean nothing at all. Therefore, for my part, I have not changed my view. I still adhere to the position I took up four years ago, that the relations between the Dominion Governments and the Imperial Government should be carried on by themselves. We have ample machinery now in the reorganization of the Colonial Office, which has given ample satisfaction; and, therefore, for my part, I adhere to the proposition that I should leave matters just as they are at the present time, and that this would not be an improvement upon them.[1]

. . .

TREATIES

June 16, 1911

"That His Majesty's Government be requested to open negotiations with the several Foreign Governments having treaties which apply to the Overseas Dominions with a view to securing liberty for any of those Dominions which may so desire to withdraw from the operation of the Treaty without impairing the Treaty in respect of the rest of the Empire."

Sir WILFRID LAURIER: The first resolution which the Conference has to deal with this morning is the resolution of which I gave notice some days ago, and which is in these words: "That His Majesty's Government be requested to open negotiations with the several Foreign Governments having treaties which apply to the Overseas Dominions with a view to securing liberty for any of those Dominions which may so desire to withdraw from the operation of the treaty without impairing the treaty in respect of the rest

[1] The proposed Standing Committee, recommended by the Secretary of State for the Colonies, was not considered further.

of the Empire." This resolution has been before the public for some time, and it has occasioned a good many comments in the Press, some of them of rather an adverse character. Some of the articles which I have noticed in the Press of London were rather excited; others were fair and reasonable, and amongst others my attention was called to a historical review in *The Times* issue of Wednesday, June 7th. That is a very fair, and, I think, accurate, and on the whole very impartial, article, though I do not agree with the conclusion to which it has come. The conclusion to which it has come is summed up in the last paragraphs and it is as follows:—"Obviously, Sir Wilfrid Laurier's new resolution, although in a sense it only carries on the policy of Lord Salisbury's Government in 1897, conflicts absolutely with the principle upon which that policy was based. The principle of commercial unity, for the sake of which Lord Salisbury denounced the German and Belgian treaties, and which is manifestly essential to the maintenance of Imperial co-operation, would have to be abandoned if the Governments of the Empire of their own accord decided to adopt separate systems of commercial relations with foreign Powers. Denunciation of the existing most-favoured-nation treaties, even if followed by their resumption on terms, allowing Canada or any other Dominion to stand out when it so desired, could only have the gravest results, since it would destroy for good and all the principle of commercial unity within the Empire re-established by Lord Salisbury and since accepted by the United States." The author of this article has forgotten the circumstances which brought forth this motion of which I gave notice. Our colleagues from Australia represented that the Commonwealth had passed some years ago a preferential tariff to be applied to British products, but to British products only coming through in British bottoms, but they found themselves debarred from proceeding with their intention on account of some old treaties which did not admit of the intention which they had. In other words, His Majesty's Government could not allow this trade to be carried out exclusively in British bottoms, because the same preference, I imagine, would have been claimed by other nations. Therefore, the Commonwealth of Australia finds itself to-day in exactly the same position in which the Government of Canada found itself in 1897 when it introduced the policy of preferential tariffs. We were determined to give to the products of the Mother Country in our markets a preferential tariff; but we found that, by some existing treaties with Germany and Belgium, we could not extend that privilege to the Mother Country unless, under those treaties, Germany and Belgium were also permitted to participate. Upon our representations these treaties were denounced. To-day the Commonwealth of Australia is in exactly the same position. It wants to give preferential treatment to the products of the Mother Country when they are brought in British ships, but they find they are debarred from carrying out this intention on account of some old treaties.

Those who object to this Resolution to-day cannot object to that aspect of it. But it is asserted, on the other hand, that the same privileges may be claimed by the other Dominions which, like Canada, may suffer from the

treaties in which there is a stipulation as to the most-favoured-nation treatment. Well, it is a poor rule which does not work both ways, and if it works advantageously in one case it ought to work advantageously in each case. No one can object to Australia, if it chooses, giving the preference which it wants to give, and limiting it to the products carried in British bottoms, and everybody would agree if there is a treaty which prevents Australia from carrying out that intention—which I would call a very laudable intention—it ought not to stand any more in the way of that intention than the treaties with Germany and Belgium in 1897 were allowed to stand against Canada.

But, on the other hand, there are treaties with other nations, it is stated, in which there is a stipulation which goes to say that any preference given by one Dominion must be extended to those nations. There are 12 of these treaties existing to-day so far as Canada is concerned. I have not them all at the present time at the tip of my tongue, but I remember there are treaties with Argentina, Austria-Hungary, Bolivia, Colombia, Denmark, Norway, Sweden, Switzerland, and two or three others. Our trade with those nations is very insignificant, and we are not really affected by those treaties at all. If we gave a preference, for instance, to the United States, we might have to give it to those nations also; but we have not any trade with them; therefore, the matter is not one of any practical moment, but the existence of such a treaty might be a serious obstacle in any trade development that we contemplated in Canada, and therefore I think it is well we should pass this Resolution. The gist of the objection which is made here is, that if this is allowed this would destroy for good and all the principle of commercial unity. I do not know at the present time what principle of commercial unity exists, in view of the different tariffs of the Mother Country and the Dominions. The United Kingdom's own tariff is a Free-Trade tariff. All the other communities represented at this Board have not that fiscal policy. They have different fiscal policies, all based upon the principle of raising the revenue by Customs duties; but no two tariffs in any of the Dominions represented at this Board agree; every one is different from the other. All agree in principle, that is to say, that the revenue is to be collected by means of Customs duties, but they differ as to the articles on which duty is to be imposed. Now, when we recognise this primary fact that there is not absolute commercial unity but commercial diversity at this moment in the British Empire in so far as fiscal legislation is concerned, it is not difficult to follow the consequences of the Government in the United Kingdom making a treaty which suits its own views and its own requirements, but which will not suit the requirements of Australia, or of South Africa, or of New Zealand, or of Newfoundland, or Canada. Therefore, the principle is no longer at issue; it has been conceded long ago, and it has been recognised that there should be that trade diversity or commercial diversity in the matter, not only of fiscal legislation, but the corollary of fiscal legislation—commercial treaties. I referred to it the other day. The matter is as plain as noonday. It is well known by everybody. The principle is now accepted by

the United Kingdom, that whenever they negotiate a treaty they apply that treaty to the United Kingdom alone, and will not apply it to the self-governing Dominions except with their consent. His Majesty's Government to-day, when they negotiate a treaty, stipulate that it shall apply to the United Kingdom, but shall not apply to the self-governing Dominions, unless it is accepted by them. That has been the policy, not of this year nor last year, but it has been the universal policy followed upon every occasion for the last 15 years at least. Here is a very concrete example. We have had a treaty with Japan negotiated some 15 years ago. Canada accepted to come into that treaty. I do not think Australia did, nor New Zealand, nor any of the other Dominions except Canada. The treaty had been negotiated for the United Kingdom. It suited the policy of the United Kingdom. It so happened it suited our policy; but it would not have suited New Zealand or Australia, and, therefore, they were not tempted to join in it, and would not join in it. The treaty has been denounced by Japan, and a new treaty has been negotiated which is altogether for the benefit and the advantage of the United Kingdom, and to that we do not object. It has new features which make it not acceptable to us in Canada, and His Majesty's Government therefore would not suggest that we should accept it; on the contrary, they have left it to us whether we should come into the new treaty or not, and we have determined not to come in. That, therefore, shows that whether it is right or wrong—and I think it is all right in the circumstances of the British Empire such as they are to-day—this diversity should be acknowledged. It is acknowledged in fiscal legislation, and it is acknowledged in the consequences of fiscal legislation in all the new treaties that are negotiated. If we find that there is a bar to our development in the old treaties, why should not the old treaties be treated as the new treaties are? So far as I understand this principle is acceptable to His Majesty's Government. Therefore it seems to me that instead of making for separation, as is suggested in some quarters, on the contrary it makes for closer union in this: that they recognise there are differences of opinion between the different parts of the British Empire, which had better be recognised in fact as they exist. In insisting upon this Resolution which was accepted the other day, as I understood, by all the Dominions here present, for my part, I am very emphatic in saying that it should be coupled, and I have no hesitation in making it as broad as possible, with three propositions. First of all I think we are all agreed in this: that the policy of the self-governing Dominions represented here should be, in their first efforts, to develop their trade as far as they can go with the Mother Country, and give every facility possible to make it closer year by year as years go on. The second proposition is that though that should be our first effort it does not follow that we should confine our efforts to the British market alone, but our second effort should be to develop our trade with other nations with which we can trade. The third proposition is that in all arrangements which may be made with other nations by the self-governing Dominions, all advantages and all benefits that are given to those other nations should be given also, not only to the Mother Country, but to

all the other Dominions which comprise the British Empire. In other words, if, for instance, we make a tariff arrangement with the United States, every privilege which we give to the United States we should be prepared to give to the Mother Country and to the other Dominions. Therefore, I beg to move the Resolution which is now on the paper.[1]

385. *Colonial Secretary to Governor General*

DESPATCH 621 Downing Street, July 28, 1911

My Lord,

With reference to my despatch No. 203 of the 24th of March, I have the honour to transmit to your Excellency, for the information of your Ministers, copy of the Resolution passed at the Imperial Conference on the question of the exclusion of alien immigration.

2. The matter will in due course be referred to the Royal Commission which is to be set up in accordance with a Resolution of the Conference.[2]

I have etc.

L. HARCOURT

[ENCLOSURE]

Resolution XXIV of the Imperial Conference
June 19, 1911

UNIFORMITY OF LAW AS TO ALIEN IMMIGRATION EXCLUSION

That it is in the best interests of the Empire that there should be more uniformity throughout its centres and dependencies in the law of alien immigration exclusion, and that it is therefore desirable that it should be referred to the Royal Commission recommended by the Imperial Conference.

386. *Colonial Secretary to Governor General*

DESPATCH 641 Downing Street, August 2, 1911

My Lord,

I have the honour to transmit to Your Excellency to be laid before your Ministers, a copy of a Resolution passed by the Imperial Conference in favour of continuing the policy of encouraging British emigrants to proceed to British Dominions rather than foreign countries. In connection with this Resolution I would refer to the Notes on Emigration from the United Kingdom which were laid before the Conference and which are published in the Parliamentary Paper Cd.5746-1 pages 216 et seq.

[1] The resolution proposed by Sir Wilfrid Laurier, with the addition of the word "commercial" before "treaties", became Resolution XIX.

[2] The Dominions Royal Commission, established by Resolution XX, was directed to report on the natural resources and trade of the Empire. (See Document 409, page 283.)

I request that you will inform your Ministers that His Majesty's Government will gladly continue to co-operate in this matter with the Government of any Dominion or State so far as it is possible for them to do so.

I have etc.

L. HARCOURT

[ENCLOSURE]

Resolution VII of the Imperial Conference
June 9, 1911

EMIGRATION

Having heard the interesting and explanatory statement from Mr. Burns,[1] resolved, that the present policy of encouraging British emigrants to proceed to British Dominions rather than foreign countries be continued and that full co-operation be accorded to any Dominion desiring immigrants.

387. *Colonial Secretary to Governor General*

DESPATCH 700
Downing Street, August 18, 1911

My Lord,

I have the honour to transmit to Your Excellency, to be laid before your Ministers, a copy of Resolution I of the Imperial Conference of 1911 respecting the previous consultation of the Dominions as to International Agreements affecting them.

I have etc.

L. HARCOURT

[ENCLOSURE]

Resolution I of the Imperial Conference
June 2, 1911

CONSULTATION OF DOMINIONS AS TO INTERNATIONAL AGREEMENTS AFFECTING THEM

That this Conference after hearing the Secretary of State for Foreign Affairs cordially welcomes the proposals of the Imperial Government, viz:

(*a*) that the Dominions shall be afforded an opportunity of consultation when framing the instructions to be given to British delegates at future meetings of the Hague Conference, and that Conventions affecting

[1] John Burns, President of the Local Government Board, 1905-14, who presented emigration statistics to the Conference.

the Dominions provisionally assented to at that Conference shall be circulated among the Dominion Governments for their consideration before any such Convention is signed;

(*b*) that a similar procedure where time and opportunity and the subject matter permit shall, as far as possible, be used when preparing instructions for the negotiation of other International Agreements affecting the Dominions.

388. *Colonial Secretary to Governor General*

DESPATCH 885A

Downing Street, November 1, 1911

Sir,

I have the honour to transmit to Your Royal Highness to be laid before your Ministers a copy of the 19th Resolution of the Imperial Conference 1911 respecting the securing of liberty for the self-governing Dominions, if they desire, to withdraw from certain commercial treaties binding on them without impairing the validity of the treaties for the rest of the Empire.

2. I enclose a list of the treaties in question together with copies of a despatch to His Majesty's Embassy in Italy and of a despatch[1] to His Majesty's Embassies or Legations in the Argentine Republic, Austria-Hungary, Denmark, France, Morocco, Russia, Sweden, Switzerland, and Venezuela.

3. Your Ministers will observe that the treaties with Bolivia, Colombia, Costa Rica, Mexico, Norway and Peru have not been made the subject of despatches in this connection. A new treaty is now being negotiated with Bolivia which contains the clause now customary providing for the separate accession and withdrawal of Dominions and colonies. Separate negotiations are in progress with Colombia with the object of giving effect to the Conference resolution in the case of that country. Action on the treaties with Norway, Costa Rica and Peru has been suspended for the moment pending further consideration of certain points of difficulty in regard to them. As regards the treaty with Mexico I have to refer to my despatch No. 738 of the 1st September from which it will be seen that the Mexican Government have agreed to the Commonwealth of Australia withdrawing from the Treaty. Correspondence as to the withdrawal of the other Dominions if they desire is proceeding. The treaty with Muskat (March 19th, 1891) has not been included in the list as it is doubtful how far it is affected by the Conference resolution and as there is in any case a prospect of its early termination.

4. It will be seen also that the list of treaties does not include the Austro-Hungarian Treaty of Navigation (April 30th 1868). It will be remembered that the resolution of the Conference referred in terms only to commercial

[1] Not printed.

treaties, the primary purpose of the Dominions being, as His Majesty's Government understand, to secure in respect of the old treaties the same liberty of action in regard to customs arrangements which they possess under modern treaties owing to the operation of the clause providing for their separate accession and withdrawal, the effect of such withdrawal being to enable a Dominion to strike foreign goods with any duties which it sees fit to impose, subject of course to the same liberty on the part of foreign countries.

5. The despatches of which copies are enclosed accordingly contain no reference to navigation, which is not mentioned in the Conference resolution and which raises questions of much difficulty. At the desire of the Government of the Commonwealth of Australia the Government of Austria-Hungary was asked to allow the Commonwealth to withdraw from the Navigation Treaty of 1868 but that government enquired in reply whether the object was to prepare the way for the preferential treatment of British vessels as against those of other nations. To this enquiry the Commonwealth Government has not, as Sir E. Grey pointed out at the Conference (p. 337 Cd.5745) replied, while the Italian Government when approached in a similar manner declined to permit withdrawal. So long as the Italian Government persist in this attitude, it would appear that the liberation of the Commonwealth (or the other Dominions) from the Austrian treaty would be of little value, as indeed the Premier of the Commonwealth expressly said at the Conference (p. 339). Further if the reply of the Commonwealth to the Austrian enquiry is to be in the affirmative, the policy is one which in view of the danger of retaliation to British shipping would require most serious consideration. In this connection I may with advantage again refer to the proceedings of the Imperial Conference 1911 (pages 135, 137, 144). In view of the above considerations His Majesty's Government have thought it proper to deal with the question on the commercial side only and to make no reference to the Austro-Hungarian Navigation Treaty of 1868.

6. I have to add that a despatch in identical terms is being addressed to all the governments represented at the Conference.

I have etc.

L. HARCOURT

[ENCLOSURE 1]

List of Treaties Containing Commercial Clauses Binding on All or Certain of the Dominions, from Which They Cannot Withdraw

The Treaties, the dates of which are enclosed in brackets, are those to which the Dominions had the option to adhere.

Treaties	Dominions bound by Treaties	When Terminable
ARGENTINE CONFEDERATION February 2, 1825	Canada, Australia,[1] New Zealand, Union of South Africa,[2] Newfoundland.	No time fixed.
AUSTRIA-HUNGARY December 5, 1876 (Commerce)	Ditto	After 12 months' notice.
BOLIVIA September 29, 1840	Ditto	No time fixed.
COLOMBIA February 16, 1866	Ditto	After 12 months' notice.
COSTA RICA November 27, 1849, (Articles 5, 6 and 7 terminated)	Ditto	No time fixed, except as regards the expired articles.
DENMARK February 13, 1660-61 July 12, 1670	Ditto	No time fixed.
FRANCE January 26, 1826 (with additional articles)	Canada, Australia, New Zealand, Union of South Africa, Newfoundland.	After 12 months' notice.
ITALY (June 15, 1883)	Australia in respect of New South Wales, Victoria, Queensland, Tasmania, Western Australia, New Zealand, Union of South Africa in respect of Transvaal, Natal, and Orange Free State.	Ditto.
MEXICO (November 27, 1888)	Australia in respect of Victoria, Western Australia, Tasmania, South Australia, Queensland, Union of South Africa in respect of Transvaal, Natal and Orange Free State, Newfoundland.	Ditto.

[1] The term "Australia" includes all the States now forming part of the Australian Commonwealth—that is, the States of the Australian continent and Tasmania. According to the Law Officers' Report of Dec. 2, 1907, addressed to the Colonial Office, treaties to which any one of these States adhered before confederation are binding on the Commonwealth in respect of the State concerned. [Footnote provided with table.]

[2] By the South African Union Act of 1909 treaties binding any one of the component Provinces before their absorption into the Union devolve upon the Union in respect of the Province concerned. [Footnote provided with table.]

Treaties	Dominions bound by Treaties	When Terminable
MOROCCO		
General Treaty, December 9, 1856	Canada, Australia, New Zealand, Union of South Africa, Newfoundland.	No time fixed.
Commercial Treaty, December 9, 1856	Ditto	
NORWAY		
March 18, 1826	Ditto	Ditto.
PERU		
April 10, 1850 (Articles 3, 4, 5 and 6 terminated)	Ditto	No time fixed, except as regards Articles 3 to 6, inclusive.
RUSSIA		
January 12, 1859	Canada, Australia, New Zealand, Union of South Africa, Newfoundland.	After 12 months' notice.
SWEDEN		
April 11, 1654 July 17, 1656 October 21, 1661 February 5, 1766	Ditto	No time fixed.
March 18, 1826	Ditto	After 12 months' notice.
SWITZERLAND		
September 6, 1855	Ditto	D[itt]o.
VENEZUELA		
April 18, 1825	Ditto	No time fixed.[1]

[ENCLOSURE 2]

Foreign Office to Embassy in Rome

DESPATCH 118 COMMERCIAL

Downing Street, October 20, 1911

Sir,

The Treaty which was concluded between the United Kingdom and Italy on June 15th 1883 is as you are aware, binding not only on the United Kingdom but also on the following self-governing Dominions of the Empire, viz:, the Commonwealth of Australia, the Dominion of New Zealand, the

[1] His Majesty's Government have for many years contended that it could not be terminated without their consent. [Footnote provided with table.]

Union of South Africa, and also on the Colony of Newfoundland. These Governments adhered to it specially, but they do not appear to have the power of withdrawing from it apart from the United Kingdom.[1]

In my despatch No. 47 Commercial of the 30th November 1909, I requested your Excellency to enquire of the Italian Government whether they would be prepared to agree to Australia withdrawing from the Treaty, and you will recollect that the Italian Government replied that they could not recognise such a withdrawal as possible in view of the wording of the Treaty, and that it must remain dependent on the denunciation of the Treaty by Great Britain, which was, as the Italian Minister for Foreign Affairs justly remarked, undesirable in the interests of both countries. Since then His Majesty's Government has had reason to study the whole question of the obligations of the self-governing Dominions of the Empire under existing commercial treaties and more particularly under the Italian Treaty of 1883.

His Majesty's Government, I should explain, have for some years past always, whenever concluding commercial treaties with foreign powers, provided both for the separate adhesion and the separate withdrawal of the various Dominions and Colonies. In these cases, therefore, the Dominions can be set free whenever they so desire. It is only from the older Treaties that the Dominions are unable to withdraw separately. At the Imperial Conference which was recently held in London and which was attended by the Prime Ministers of the self-governing Dominions, viz: Canada, Australia, New Zealand, the Union of South Africa, and the Colony of Newfoundland, a resolution was unanimously passed by the Conference requesting His Majesty's Government to open negotiations with the several foreign governments having commercial treaties which apply to the oversea Dominions, with a view to securing liberty for any of these Dominions which may so desire to withdraw from the operation of the treaty without impairing the treaty as respects the rest of the Empire.

His Majesty's Government are naturally, in the common interests of the United Kingdom and Italy most unwilling to denounce the existing treaty entirely, and they therefore recur to the suggestion that it may be possible as an alternative to arrange to give the self-governing Dominions of the Empire that power of independent action which they enjoy under all the treaties concluded in recent years by His Majesty's Government. The simplest method of attaining this end would probably be found in the signing of a Protocol on the lines of the draft herewith enclosed. Such protocols have, as you are doubtless aware, been already concluded with certain countries.

In the case of such Dominions as may exercise the suggested right of withdrawal from their present obligations under the treaty His Majesty's Government will of course if it is desired consider in consultation with them the

[1] Canada declined to adhere to the Italian trade treaty of 1883, following the practice of separate adherence laid down by the British Government in 1878. The despatch printed reveals the difficulties of separate withdrawal from British commercial treaties, as distinct from separate adherence, for the self-governing Dominions.

negotiation of a fresh agreement to take the place of the present Treaty. In fact, a Convention regulating the commercial relations between a single Dominion of the Empire on the one hand and a foreign power on the other would be no new departure, for His Majesty has already at the request of the Canadian Government concluded a commercial convention with France, and informal arrangements have been made with other countries, including Italy.

I request that you will explain to the Italian Government the reasons which have prompted His Majesty's Government to raise this question again and that you will at the same time enquire of them whether they are prepared to sign a Protocol to the proposed effect.

[SUB-ENCLOSURE]

Draft Protocol

Declaration between the Governments of Great Britain and relating to the Amendment of the Treaty/Treaties of Commerce of

WHEREAS it is desirable that liberty should be reserved to certain of His Britannic Majesty's Dominions to withdraw from the Treaty/Treaties between Great Britain and of without impairing the validity of the Treaty/Treaties as between on the one hand and the United Kingdom and those other parts of His Britannic Majesty's Dominions which may desire to remain bound by the said Treaty/Treaties on the other, the Government of His Britannic Majesty and the Government of hereby agree that the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, the Union of South Africa, and the Colony of Newfoundland may withdraw from the Treaty/Treaties or any one of them separately, at any time on giving twelve months' notice to that effect. Nevertheless, the goods produced or manufactured in each of the said British Dominions shall enjoy in complete and unconditional most-favoured-nation treatment, so long as the British Dominion in question shall accord to goods the produce or manufacture of treatment as favourable as it gives to the produce or manufacture of any other foreign country.

In witness whereof the undersigned have signed the present Declaration and have affixed thereto their seals.

Done at

389. *Order in Council*

P.C. 2651 November 25, 1911

The Committee of the Privy Council have had before them a report, dated 20th November, 1911, from the Secretary of State for External Affairs, to whom was referred a despatch dated 23rd November, 1910, from the Right Honourable the Principal Secretary of State for the Colonies, forwarding draft Imperial Order in Council applying certain rules of procedure

to appeals from the High Court of Justice of Australia, and enquiring whether the Canadian Government would desire that an Order in Council in similar terms should be issued for the Dominion of Canada.

The Minister states that Your Royal Highness's Advisers were under the impression that the whole of this question would have to be reconsidered in view of the conclusions reached at the recent Imperial Conference. They have in mind a despatch from the Right Honourable the Principal Secretary of State for the Colonies, dated 28th July, 1911, enclosing statement of proposals of His Majesty's Government on the subject of a final Court of Appeal for the Empire and the method of appeal thereto, and they can see no advantage at the present moment of attempting any revision of the rules under the existing procedure.

The Committee, on the recommendation of the Secretary of State for External Affairs, advise that Your Royal Highness may be pleased to inform the Right Honourable the Principal Secretary of State for the Colonies in the sense of this Minute.

All which is respectfully submitted for approval.

390. *Extracts from Proceedings of the 119th Meeting Committee of Imperial Defence*

August 1, 1912

Mr. ASQUITH: Gentlemen, one of the papers which has been circulated to the representatives of the Dominion of Canada is a paper entitled "The Representation of the Dominions on the Committee of Imperial Defence," which was discussed at the Committee during the Imperial Conference, 1911. The discussion of this paper resulted in the following conclusions:

(1) That one or more representatives, appointed by the respective Governments of the Dominions, should be invited to attend meetings of the Committee of Imperial Defence when questions of naval and military defence affecting the Oversea Dominions are under consideration.

(2) The proposal that a Defence Committee should be established in each Dominion is accepted in principle. The constitution of these Defence Committees is a matter for each Dominion to decide.

Although this conclusion was unanimously accepted by the representatives of the Dominions at the 113th meeting of the Committee of Imperial Defence, it was never included in any published record of the proceedings, as some of the representatives of the Dominions (particularly Sir Wilfrid Laurier) did not think this expedient; and in view of Sir Wilfrid Laurier's attitude this resolution has not been communicated formally to the Government of any Dominion. I think you will find that is so, Mr. Borden, and that you have not had any formal or official information on that matter; but I would point out that should the terms of this resolution commend themselves to you as a matter for consideration to-day, the present is an opportune time for

giving effect to them. One reason of a special kind which makes the present moment particularly opportune for arriving at some arrangement regarding the representation of Canada on the Committee of Imperial Defence is that within the next twelve months we shall in all probability be considering the attitude to be taken up by this country at the next Hague Conference, which is due—when, 1914?

. . .

Mr. BORDEN: So far as concerns the representation of the Dominion of Canada by one of its Ministers as a member of the Committee of Imperial Defence, although the proposal in this paper hardly seems to go quite that far, the idea of that has been discussed by my colleagues and myself, and I have already communicated to you at an informal meeting the views at which we have arrived with regard to it. I might say that before those views are carried into effect it would be necessary to have a meeting with our friends at home, because the subject was not very much discussed before we left Canada. As you have already pointed out, the proposals embodied in paper 81-C have not been communicated officially to the Government of Canada, and therefore since coming into power we have been entirely in ignorance of them. I have already said that it seems to me that that is the best solution of what we have in mind. There may be some difficulties in the practical working out, which I do not foresee at present, but I do not anticipate that any such difficulties will be of a serious character. Speaking with regard to that subject, the representation of Canada upon this Committee does not perhaps on the surface seem likely to carry into effect what will probably have to be considered in the very early future. As we are speaking here in confidence I venture to speak quite frankly. At the present time we have in the Dominion of Canada about 8 millions of people; we have a boundary line between Canada and the United States of nearly 4,000 miles; and the people on each side of the line are very similar in their habits, their ideals, and their mode of government, civic, municipal, and otherwise. On one side of the line the people have a direct and immediate voice in the government of their country in every respect, including all matters of foreign policy; on the other side of the line that is not the case. While we do not know that that particular difference has impressed itself very strongly upon the imagination of the Canadian people up to the present time, it will undoubtedly begin to do so in the very early future, especially as the country advances in wealth and population and resources, and more especially as it advances in its conception of what a national spirit demands. So that I think it will be necessary in the very early future to give a little study and consideration as to the larger outlook to which I have called attention. No one is more seriously impressed with all the difficulties of working out anything of the kind than I am. What I suggest at the moment is that, if this proposal is carried out as a temporary measure, we must not lose sight of the importance of studying and considering the larger questions to which I have alluded. I need not say that it is obviously impossible that the present relations in respect of such matters can continue in respect of Canada after

she will have a population of 20 millions or 25 millions of people. It may take some years—it will take some years—before that status shall have been acquired; but in the meantime the spirit to which I have alluded is one that I think will demand consideration not only by our own Government but by the Imperial authorities as well.[1] So far as constituting a Defence Committee in the Dominion is concerned, I personally see no reason why that should not be done, and I see that very great advantages might result from it.

Mr. ASQUITH: Have you any organisation of the kind?

Mr. BORDEN: We have no organisation of the kind. We have already been considering an organisation, not quite along that line, but an organisation which has been rendered necessary by the very important work that has been done in the United States with regard to the surveys of the boundary waters and other matters which are likely to come into consideration under the treaty of three years ago, by which a commission, consisting of three members appointed by the United States Government and of three members appointed by the Imperial Government, on the recommendation of the Canadian Government, will undertake the consideration and the determination of any such questions. You will find that the United States have had a very thorough survey carried out by means of the engineers of the United States army, and that they are thoroughly prepared for the discussion of the very important questions which will arise; but we are not prepared at all. Therefore we have already given consideration to the importance of bringing into co-ordination and co-relation with each other the Department of Militia and Defence, the Department of Railways and Canals, the Department of Marine and Fisheries and Naval Service, and the Department of the Interior. In each one of these departments a good deal of material exists that might be taken advantage of. It is suggested here that we should appoint a Defence Committee which, so far as Canada is concerned, might exercise some of the functions that are exercised by this Committee of Imperial Defence in respect of Imperial affairs. Again, I say that is a matter upon which I would find it necessary to consult my colleagues, as we had been entirely in ignorance of any such suggestion up to the time we came here, and those of my colleagues who have remained in Canada are entirely in ignorance of them up to the present time.

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[1] Borden expanded on the question of Dominion representation on the Committee of Imperial Defence in his speech to the Canadian House of Commons on December 5, 1912. At that time he said: "I am assured by His Majesty's Government that, pending a final solution of the question of voice and influence, they would welcome the presence in London of a Canadian minister during the whole or a portion of each year. Such minister would be regularly summoned to all meetings of the Committee of Imperial Defence, and would be regarded as one of its permanent members. No important step in foreign policy would be undertaken without consultation with such a representative of Canada. This seems a very marked advance, both from our standpoint and from that of the United Kingdom. It would give to us an opportunity of consultation, and therefore an influence which hitherto we have not possessed." (*House of Commons Debates*, 1912-13, cols. 692-693).

The British Government agreed to this form of Dominion representation on the Committee of Imperial Defence, while pointing out that the Committee was an advisory, and not an executive, body. See Document 401.

It may be necessary for me, say, at the conclusion of the present meeting, to allude to one or two other matters with respect to the more special questions of naval defence, but, so far as this paper is concerned, I think that is all that I have to say at the moment.

Mr. ASQUITH: Then the result of that is that Mr. Borden thinks that he would like to take this *ad referendum* for consultation with his colleagues at home before expressing any definite, or any final opinion at least, on the conclusions suggested?

Mr. BORDEN: Yes. I say that, coupled with the statement also that so far as my colleagues and I are concerned, we are entirely in sympathy with the proposals, and we have really very little doubt that the same favourable consideration will be taken by Canada as a whole.

391. *Colonial Secretary to Governor General*

SECRET DESPATCH

Sir, Downing Street, September 5, 1912

With reference to previous correspondence respecting the visit of your Prime Minister and certain of his colleagues to this country to discuss, *inter alia,* the question of Imperial Defence I have the honour to inform Your Royal Highness that, in addition to various discussions between members of His Majesty's Government and Canadian Ministers, two meetings of the Committee of Imperial Defence were held on the 11th of July and the 1st of August at which your Prime Minister and some of his colleagues were present.

2. I enclose copies of the Minutes of these Meetings and a copy of a paper describing the constitution and the functions of the Committee of Imperial Defence(161 B).

3. The Minutes are in Mr. Borden's possession and I enclose eighteen additional copies of the Minutes and of the paper(161 B) which I understood that he desires to have for the purpose of the further discussion of the questions at issue with his colleagues in Canada. In accordance with the rules laid down by the Committee of Imperial Defence it is requested that all papers so marked may be returned to the Secretary when no longer required. They should be returned to the Secretary through the Governor General.

[4.] I also enclose for your information copies of certain secret C.I.D. papers which were communicated to Mr. Borden during his visit to this country.

[5.] I have to add that it has been suggested to Mr. Borden on behalf of His Majesty's Government that with a view to providing for Canadian representation in matters of Imperial Defence, a Canadian Minister, probably without portfolio, should as a rule be in London from February to August, that he should be a member of the Committee of Imperial Defence, and that

he should have constant though informal access to the Prime Minister, the Secretary of State for Foreign Affairs and the Colonial Secretary on all matters of policy. Mr. Borden was satisfied with this suggestion and will discuss it with his colleagues.[1]

I have etc.

L. HARCOURT

392. *Prime Minister to First Lord of the Admiralty*

Ottawa, October 3, 1912

My dear Mr. Churchill,

As I explained to you in England the objection may be strongly urged in some parts of this country that any considerable sum to be provided by Canada for immediate aid towards increasing the naval strength of the Empire ought to be expended in this country. On the other hand it is sufficiently manifest to me that the construction of battleships of the largest and most powerful class cannot be undertaken in this country within a reasonable period, having regard to the grave conditions which we are called upon to confront. At our interviews in London I suggested to you a possible solution which you will doubtless recall. If the Canadian Parliament should vote a large sum of money sufficient for the construction of two or three battleships of the latest type and should authorize the expenditure of that money in the United Kingdom it would seem not only practicable but reasonable that the great shipbuilding firms to which the contracts might be let should undertake the beginning of a shipbuilding industry in one or two parts of this country. The points to which our attention has been particularly directed are Halifax in the Maritime Provinces and Montreal or Quebec in the Province of Quebec. I do not suggest this in any spirit of bargaining; but you of course realize that conditions of a somewhat difficult character from a political standpoint will have to be encountered. It is of vital importance that any proposals which we make to Parliament shall be carried to a successful issue as otherwise the moral effect upon the whole Empire will be disastrous. Thus it seems to be not only in Canadian but in Imperial interests as well that everything should be done to overcome local prejudice or sentiment of the character suggested.

Moreover you will perhaps agree in the importance from an Imperial standpoint of the early establishment not only of dockyards but of naval bases provided with the necessary equipment both for building and for repairing war vessels of the smaller type at least.

I cannot too strongly emphasize the importance of the considerations which have been very briefly set forth in this letter. Possibly the particulars, the early arrival of which your recent cable announces, may cover this point.

Yours faithfully,

[ROBERT L. BORDEN]

[1] Canada was represented on the Committee of Imperial Defence in 1913 and 1914 more frequently than any of the other Dominions.

393. *Prime Minister to First Lord of the Admiralty*

My dear Mr. Churchill, Ottawa, October 5, 1912

In writing to you on the 3rd inst. with respect to the importance at this juncture of stimulating, or encouraging the beginnings of a shipbuilding industry in Canada I omitted to allude to the proposal or suggestion more than once discussed between us, that war vessels, such as destroyers or small cruisers might be built within a very early period in Canada and that possibly an arrangement might be made to divide the extra cost between the two governments.

Yours faithfully,

ROBERT L. BORDEN

394. *Order in Council*

P.C. 2747 October 8, 1912

The Right Honourable the Secretary of State for External Affairs submits a memorandum, dated 25th Sepember, 1912, from the Minister of Justice, with reference to a despatch of 3rd July, 1912, from the Right Honourable the Secretary of State for the Colonies, stating in effect that His Majesty's Government propose to submit to His Majesty the King an Order in Council authorizing the publication of dissenting opinions in the Judicial Committee of the Privy Council. Mr. Harcourt states that he would be glad to know whether Your Royal Highness's Ministers concur in this proposal and he adds that they will no doubt ascertain the views of the Provincial Governments on the subject.

The Minister of Justice observes that it has been ascertained upon enquiry of the Local Governments that Ontario concurs in the proposal; Quebec, Prince Edward Island and Saskatchewan express themselves in its favour; New Brunswick approves, while British Columbia and Alberta have no objection. On the other hand Nova Scotia and Manitoba are opposed to the proposal, the former upon the ground that no useful purpose would be served by the publication of dissenting opinions in any court of final resort, and the latter for the reason that the publication of dissenting opinions is inadvisable.

The Minister of Justice, upon careful consideration, is unable to escape the conclusion that it would not be in the public interest to introduce any change in the ancient constitutional practice with regard to dissenting opinions. The value of the Judicial Committee of the Privy Council as a final Court of Appeal consists not only in the ultimate and decisive effect of its judgments as relating to the particular cases submitted and the parties; but more especially, since appeals to the Judicial Committee usually involve serious questions of law, often of great public importance, the decisions are of permanent advantage to the profession, and to the public generally. While as to the immediate suitors expression of dissent is of no material value because it does not alter the result, it would serve in the more important aspect of the case, from the public point of view, to affect the interpretation or certainty of a judgment and its quality as a determining precedent. Moreover, cases not infrequently go to the Judicial Committee in which public

opinion is very deeply concerned. There are constitutional questions as between the Dominion and the Provinces; there are questions involving education having a religious aspect; there are cases involving racial differences, and others which may well be imagined, which cannot perhaps be acceptably determined except by a Tribunal of the experience, learning and impartiality which the Judicial Committee is universally acknowledged to possess and exercise. Recently it is becoming the practice for local judges to sit in the Committee, and the Minister cannot help feeling that it would be extremely unfortunate if it were made known that one of these cases had been determined by a bare majority depending upon the concurrence of a local judge. It might even perhaps be only less unfortunate that the local judge should consider it necessary to express dissent.

For these and other reasons which might be stated, the Minister of Justice considers that effect cannot be given to Mr. Harcourt's proposal without in a measure impairing the dignity and influence of a tribunal which is the ultimate exponent of the law and constitution.

The Committee concur in the foregoing and on the recommendation of the Secretary of State for External Affairs advise that Your Highness may be pleased to transmit a copy hereof, if approved, to the Right Honourable the Principal Secretary of State for the Colonies.

All which is respectfully submitted for approval.

395. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, November 2, 1912

SECRET. Prime Minister requests that the following message may be conveyed to Churchill. Begins. Secret. Proposed Bill which will be introduced immediately after opening of Parliament authorizes a grant to His Majesty for purpose of immediately increasing effective naval forces of Empire to be paid under direction of Governor General in Council and subject to such terms, conditions and arrangements as may be agreed upon between the Governor General in Council and His Majesty's Government. It is not proposed to retain ownership in Canada[1] but I desire authority to inform Parliament that His Majesty's Government will if desired return the ships to the Canadian Government whenever Canada is prepared to maintain them. In meantime ships will be maintained by His Majesty's Government. The form of both the secret and publishable documents[2] having now been settled I suggest that these documents should be sent forward immediately by Colonial Secretary to Governor General accompanied by formal official letters which should make it clearly appear that both documents although prepared by the Admiralty are submitted by His Majesty's Government to the Government of Canada. Your promised letter as to the encouragement of shipbuilding in connection with dockyards and naval bases in this country has not yet arrived. Ends.

[1] For subsequent elimination of this clause see Document 402, page 278.

[2] A secret Admiralty memorandum on naval requirements of the Empire was sent to Borden for discussion in draft form on October 2 and in final form on October 25. In December it was issued as Cd. 6513, 1912.

396. *First Lord of the Admiralty to Prime Minister*

CONFIDENTIAL Whitehall, November 4, 1912

My dear Mr. Borden,

I have given careful consideration to your two letters about the encouragement of the shipbuilding industry in Canada. I recognise the importance of such a policy on general grounds not less than from the immediate Canadian standpoint: and any practical scheme for Admiralty co-operation would command my support. The main difficulty to be surmounted is to obtain that high degree of expert knowledge and experience which modern warships require for their efficient construction.

We might however in the first instance agree upon certain classes of vessels with which it may be considered that competent Canadian shipyards would be able to deal. The most suitable classes of vessels with which to inaugurate the system would be light cruisers, oil tank vessels and small craft for auxiliary services. We should, if it would meet your views, be prepared to invite tenders from approved Canadian firms for the construction of some vessels of such classes in the near future.

It would be understood that progress with this policy would have to be dependent on the prices quoted being reasonable, having regard to all the circumstances (including the fact that Canada will be prepared to share any extra cost), and also on the time required for construction not being excessive as compared with the dates fixed for completion of similar ships in England. No fixed scale or proportion of orders could be guaranteed to Canadian firms. We would begin by giving some orders at once, and further progress would depend upon the development of the industry and the extent of our programme.

The Admiralty would, of course, remain wholly responsible for the design of all vessels, and for the supervision of the construction of those building in Canada. Arrangements for this could be worked out in detail later and should not present any difficulty.

Yours sincerely,

WINSTON S. CHURCHILL

397. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, November 6, 1912

PRIVATE AND PERSONAL. SECRET. Your cypher telegram of 3rd November.[1] Following from Admiralty for Prime Minister. Begins. Proviso as to return of ships. We should like to know more exactly what is meant by this. We presume that intention is that ships should on request of Canadian Government be transferred from the Royal Navy to the Royal Canadian Navy, sufficient notice being given if required by British Government to enable their places in

[1] Presumably Document 395.

any vital theatre to be filled by new construction. Is this what is meant? Although no difficulties are apprehended in practice it would obviously be undesirable in principle for vessels on which we were counting to be liable to be suddenly withdrawn from their stations.

HARCOURT

398. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, November 7, 1912

PRIVATE AND PERSONAL. SECRET. Following from Prime Minister for First Lord of Admiralty. Begins. Your proviso as to notice is quite reasonable. In any case the transfer to Canadian ownership and[1] maintenance would not necessarily or even probably imply sudden withdrawal from important theatre. Our future permanent policy will be undertaken upon lines discussed with you in London and not upon basis of separate Canadian Naval organization which probably could not be made effective inside of twenty-five or fifty years, and which in any case would be a weak substitute for the existing Admiralty organization of which we hope to avail ourselves if it can be made truly Imperial according to a fair conception of what we consider justly due to the rights and status of this Dominion. There is therefore no practical probability that the ships will ever be recalled but an assurance such as I have suggested would remove the anticipated objection that ships built out of funds provided by Canada ought to remain in the ownership of this country. Ends.

399. *Colonial Secretary to Governor General*

TELEGRAM London, November 11, 1912

PRIVATE AND PERSONAL. Following from Admiralty for Borden. Begins. We are much gratified by the terms of your telegram of November 8th,[2] and anticipate no difficulty in giving effect to the views therein expressed.

HARCOURT

400. *First Lord of the Admiralty to Prime Minister*

TELEGRAM Whitehall, November 20, 1912

Special arrangements will be made to enable Canadians to serve as Officers in fleet. Question as regards seamen is complicated as you well know by different rates of pay in British Navy and Canadian Naval forces, but subject to details being worked out it might be practicable either to receive Canadian seamen for training with Canadian rates of pay or enter them for general service at our rates with deferred pay on conditions to be settled later.

[1] For subsequent elimination of this phrase see Document 402, page 278.
[2] Presumably Document 398.

401. *Colonial Secretary to Governor General*

TELEGRAM Downing Street, December 10, 1912

CONFIDENTIAL. Please inform your Prime Minister that I have addressed the following despatch by telegraph to the Commonwealth of Australia, New Zealand, South Africa and Newfoundland, and have informed them that H.M. Government propose to publish the despatch here within short time and that date when publication will take place will be communicated duly. Despatch begins. Am sending by mail following despatch: Confidential. My Lord, I am forwarding by mail for the confidential information of your Ministers a record of the proceedings of Committee of Imperial Defence on 30th May 1911 during the Imperial Conference and on 1st August 1912 during the visit of the Canadian Ministers to London. This record deals solely with the question of the representation of the Dominions on the Committee of Imperial Defence. Your Ministers who were present on the first occasion will remember that the matter arose out of a resolution by Sir Joseph Ward on the agenda of the Imperial Conference asking that the Commissioners of the Dominions should be summoned to the Committee of Imperial Defence when naval and military matters affecting the Oversea Dominions were under consideration. The unanimous view of all those present on the 30th May 1911 was that the representation of the Dominions should be not by the High Commissioners but by Ministers who would be responsible to their own colleagues and Parliament and at the same time decided that a defence committee should be established in each Dominion which would be kept in close touch with the Committee of Imperial Defence at home. The resolutions ultimately put forward by His Majesty's Government and accepted unanimously by the members of the Imperial Conference at the Committee of Imperial Defence were as follows: Firstly, one or more representatives appointed by the respective governments of the Dominions should be invited to attend meetings of the Committee of Imperial Defence when questions of naval and military defence affecting the Oversea Dominions are under consideration. Secondly, the proposal that a Defence Committee should be established in each Dominion is accepted in principle; the constitution of these Defence Committees is a matter for each Dominion to decide. The Canadian Government having changed in the autumn of 1911 it was necessary when Mr. Borden and his colleagues visited England this summer to put these proposals before them as they were of course unaware of the previous proceedings. Subject to consultation with his colleagues in Canada Mr. Borden provisionally accepted the resolution as passed and stated that he saw no difficulty in one of his Ministers either with or without portfolio spending some months of every year in London in order to carry out this intention. Mr. Asquith and I had subsequently several private conversations with him at which he expressed the desire that the Canadian and other Dominion

Ministers who might be in London as members of the Committee of Imperial Defence should receive in confidence knowledge of the policy and proceedings of the Imperial Government in foreign and other affairs. We pointed out to him that the Committee of Imperial Defence is a purely advisory body and is not and cannot under any circumstances become a body deciding on policy which is and must remain the sole prerogative of the Cabinet subject to the support of the House of Commons but at the same time we assured him that any Dominion Minister resident here would at all times have free and full access to the Prime Minister, Secretary of State for Foreign Affairs and Secretary of State for the Colonies for information on all questions of Imperial policy. In a public speech which I made a short time ago I used the following words. Begins. There is on the part of Canadian Ministers and people a natural and laudable desire for a greater measure of consultation and co-operation with us in the future than they have had in the past. This is not intended to and it need not open up those difficult problems of Imperial Federation which seem to entail questions of taxation and representation which have made that policy for many years a dead issue. But speaking for myself I see no obstacle and certainly no objection to the Governments of all Dominions being given at once a larger share in the executive direction of matters of defence and in personal consultation and cooperation with individual British Ministers whose duty it is to frame policy here.

I should welcome a more continuous representation from Dominion Ministers if they wish it upon the Committee of Imperial Defence and we should all be glad if a member or members of those Cabinets could be annually in London.

The door of fellowship and friendship is always open to them and we require no formalities of an Imperial Conference for continuity of Imperial confidence. Ends.

The foregoing accurately represents the views and intentions of His Majesty's Government. From Mr. Borden's public speech in introducing the Canadian Naval Bill it appears that he accepts the proposals which we have made. The same offer is of course open to all the other self-governing Dominions [if] and when they wish to adopt it but the proposal is not one necessary for strict uniformity and can be varied in the case of each or any Dominion to suit their wishes or such special circumstances of their case. I should be glad to know at your convenience whether your Ministers desire to adopt some such method of more continuous connection in naval and military affairs with the Imperial Defence Committee in the United Kingdom.

I have etc.

HARCOURT

402. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, February 28, 1913

SECRET. My cable second November and seventh November respecting return of ships, and my despatch of nineteenth December respecting form in which these two cables should be brought down. My Ministers think following words should also be omitted from cable second November: "It is not proposed to retain ownership in Canada but" and that following words should also be omitted from cable seventh November: "ownership and". If satisfactory please confirm by cable.

Ministers also desire to know to what extent personnel Royal Australian Navy is composed of persons born in Australia and to what extent it is composed of persons born in British Islands. They desire to have exact proportions in various ratings so far as information is available.

403. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, March 19, 1913

PRIVATE AND PERSONAL. SECRET. Following from First Lord of the Admiralty to Mr. Borden. I propose in my Naval speech, introducing Naval Estimates on the 26th March, to outline the following scheme for the employment by the Admiralty of any capital ships provided by Canada for general Imperial service.

It is proposed to form them with the *Malaya* and if possible with the *New Zealand* into a new Squadron of five ships of high uniform speed to be called the Imperial Squadron. Gibraltar will be the base of this squadron and from that station Halifax can be reached in five days, Quebec in 6 days, South American coast in 12 days, Cape Town in 13 days, Jamaica in 9 days, Alexandria in 3 days, Hong Kong in 22 days, Sydney (Australia) in 28 days, and Vancouver in 23 days. This is faster than any other equally strong European force. It is intended that the Squadron shall cruise freely about the British Empire and as opportunity serves visit the various Dominions and be ready to operate at any threatened point at home or abroad.

The Admiralty would consult the Dominions on all movements not dominated by military considerations and special facilities would be given for Canadians, New Zealanders, Australians, and South Africans to serve in the Squadron. In this way a true idea will be given of the mobilization of an Imperial Squadron of the greatest strength and speed patrolling the Empire, showing the Flag, and bringing effective aid where it is needed.

Side by side with this the Dominions will be encouraged to develop naval bases, dockyards, local flotillas, and other ancillary craft which would be necessary to enable the Imperial Squadron to operate for a long period in any threatened theatre.

From time to time the squadron could be strengthened by the supply of light cruisers or ancillary vessels if the Dominions saw fit.

This is the right and sound plan which ought eventually to eliminate the policy of tying up isolated dreadnoughts to particular localities.

The idea can of course only be broached in general terms for reflection and discussion. What do you think of it? It would be helpful to you I expect as raising the principle of combined inter-Dominion action as against purely local navies on the one hand or complete absorption in the British Navy on the other hand, and also as helping (?) the development of naval bases and other local resources.

I shall be much obliged if you will telegraph me your private opinion in cypher or alternatively say you would rather not be consulted. Ends.

HARCOURT

404. *Memorandum from Prime Minister to Governor General*

CONFIDENTIAL Ottawa, March 24, 1913

. . . The tremendous development of military strength among the nations of continental Europe makes it imperative that our naval forces shall be of such strength and character as to insure adequate defence of the whole Empire and especially of those portions which are vital to its continued existence.

It is abundantly evident that the Overseas Dominions, as their resources develop and their strength and importance increase, must co-operate with the United Kingdom in naval defence which is the chief if not the only real guarantee of the Empire's integrity and continuance . . . .

It is believed that the defence of the Empire upon the high seas cannot be successfully accomplished by a series of scattered navies, but that there must be single control or at least unity of direction and action in time of war.

The natural pride of newly awakened national sentiment in the various Dominions may demand and probably will demand some particular recognition of the forces which they individually bring to the Empire's assistance. The same national sentiment, coupled with an awakening sense of wider imperial responsibility, will also demand a share in the moulding of foreign policy which is so closely associated with the problems of defence.

Being impressed by the urgency of present conditions, the Government of Canada have deemed it their duty to propose, as a temporary measure of aid, the provision of three battleships or battle-cruisers of the most modern and powerful type which will be placed under the control of the Admiralty, subject to recall by Canada upon reasonable notice in case the establishment of a Canadian unit or units of an Imperial Navy should hereafter be demanded by public opinion in Canada.

Until recently, the Canadian people have not been strongly aroused to any special sense of responsibility for the defence of the Empire's interests

upon the high seas or impressed by the circumstances that the foreign policy of the Empire including that of Canada has been and still is settled and determined without any consideration of Canada's voice or opinion. During the past few years, however, responsibility for making secure the path across the seas has been impressed upon the minds of our people; and with this newly awakened sense will assuredly come in the early future the demand for a voice in the higher matters of imperial concern to which allusion has been made . . . .

The cooperation of Canada in the establishment of an Imperial Navy, carrying with it responsibility and voice in foreign policy, is attended with difficulties and problems from which there seems a disposition to shrink. It has been said in Great Britain that any such proposal would abnegate the control by the people through their representatives of foreign policy and foreign relations. This argument seems to proceed upon the assumption that the people who can properly be entrusted with such control reside wholly within the United Kingdom. The people are undoubtedly entitled to control foreign policy but there are at least fifteen millions of them outside the United Kingdom and by 1930 there will probably be thirty millions.

Pending the solution of these grave and serious questions it is, however, possible for Canada to enter upon and carry out a policy which while preserving her own dignity, autonomy and self respect will nevertheless be a means of reasonable co-operation in the Empire's defence upon the high seas. The lines of such policy will probably be somewhat as follows:—

(1) The provision of dry docks which, while useful for commercial purposes, will be constructed under the advice and direction of the Admiralty and will be available also for its purposes.

(2) The establishment of naval bases, the fortification of the harbours and ports at which these naval bases may be constructed and the defence of such harbours and ports by submarines, torpedo craft, etc.

(3) The establishment and gradual extension of shipbuilding and repair plants capable in the first instance of building small cruisers and other auxiliary craft as well as vessels for commercial purposes.

(4) The training of officers in the Naval College at Halifax and of seamen in training ships maintained for that purpose; and the manning of the Canadian Fishery Protection Service and the Canadian Hydrographic Service by men so trained.

(5) The subsidizing of swift and modern merchant steamships plying on the Atlantic and the Pacific; the equipment of these ships with necessary guns and fittings so that they can be used for scouting and other purposes in time of war; and the manning of such ships by trained seamen capable of intelligent and efficient service.

(6) The extension and development of the Canadian Fishery Protection Service by the addition thereto of light cruisers manned by trained men and under naval discipline, which while specially useful for the primary purpose of defending our fisheries against poachers and marauders will also be available in time of war to protect our commerce within a certain area or to capture merchantmen of the enemy.

It is highly probable that Canadian Naval Development if initiated some ten years ago along the lines above suggested would have proceeded smoothly and with little or none of the excitement or criticism which have developed under the methods pursued by the late Government. The greater part of Canada's population is inland and the sea sense of the people has not yet been developed. This can only be developed gradually and it is of the highest importance that the people shall realize the necessity of what is proposed. A great majority of the people are thoroughly prepared to assume any reasonable responsibility for necessary defence upon the high seas; but on the other hand they are entirely averse to the establishment of a great naval organization which in their view would be attended with extravagance, unnecessary expenditure and corruption.

405. *Colonial Secretary to Governor General*

London, April 1, 1913

TELEGRAM

PRIVATE. PERSONAL. SECRET. Following from First Lord of the Admiralty for Prime Minister: Thanks for most kind telegrams. Important that you should read my speech March 31st respecting margin of strength available in 1916 which shows that during and after that year we are relying upon the three Canadian ships for whole world service of Empire. Will telegraph passages *extenso* if no verbatim report has been cabled. I think they will be helpful. CHURCHILL

HARCOURT

406. *Administrator to Colonial Secretary*

Ottawa, April 5, 1913

TELEGRAM

CONFIDENTIAL. Following from Prime Minister for First Lord of the Admiralty. Thanks for telegram. I would be glad to have passages *in extenso* as our press reports not always absolutely reliable.

FITZPATRICK

407. *Acting High Commissioner to Prime Minister*

CONFIDENTIAL

London, June 24, 1914

My dear Borden,

You will remember me telling you that last winter Mr. Harcourt said something to me about the time for the holding of the next Imperial Conference. This would naturally come about a year from now unless the date should have to be altered on account of general elections either here or in some of the Dominions. The other day Mr. Harcourt referred again to the same matter. The Australian elections are to come on immediately

and there is a possibility that South Africa may have elections next year although it is not likely. The situation here is such that no one can tell what is going to happen about the elections. The Conservatives seem to think that they must come this year, but possibly the wish is father to the thought. On the other hand the Government certainly has no intention of going to the country unless it is forced to do so and Mr. Harcourt does not seem to expect elections here before next year. I merely mention this to show you that just at present one can hardly tell whether it would be possible to hold the Conference next year as was and is the intention under ordinary circumstances. However, I do not think that it is a matter of vital importance and can be decided later on in the year.

Yours very truly,

GEORGE H. PERLEY

408. *Acting High Commissioner to Prime Minister*

CONFIDENTIAL

London, June 24, 1914

My dear Borden,

In my talk the other day with Mr. Harcourt he brought up the question of a naval conference. As you know Australia has for some time been pressing to have one held in order that matters of defence might be discussed and an endeavor made to arrive at some mutual understanding regarding joint action. Although it was not so stated I took it that this would have reference particularly to the Pacific Ocean as Australia and New Zealand are both so anxious about it. Mr. Harcourt tells me that he has kept putting off saying anything definite about this suggestion of a naval conference as he felt that it would be premature to hold it under present conditions, and without actually refusing he has been postponing it from time to time without giving any special reasons for so doing. Australia has been putting forward the idea that this meeting might be held in Vancouver which would be more convenient for the Dominions but not for the Imperial Government, and it would seem more in order that any discussions of that nature should be held here in the heart of the Empire. He suggested that the best time for such a discussion would be at the next Imperial Conference and I must say that I agree with him in this. He suggests that if the question is brought before you, he hopes you will feel in the same way about it and ask to have the naval question taken up at the next Imperial Conference. It certainly would be awkward for you to discuss the matter officially now under present conditions in Canada and you will be better able to do so later on.

Please let me know what you think about it.

Yours very truly,

GEORGE H. PERLEY

409. *Minister of Trade and Commerce to Prime Minister*

Halifax, August 5, 1914

Dear Sir Robert,

As you may well understand, the Commission[1] has been somewhat troubled since it came to Newfoundland as to its future course. We have thoroughly discussed the matter and have come to the conclusion that the Commission should go on and perform the remainder of its work.

This will have to be done under circumstances not so favourable as would otherwise obtain but it is to be recollected that we have already amassed all of the statistical information and have also received memoranda on all the principal subjects in all the Provinces. What remains for us is to supplement these by such personal examination as is deemed necessary in each case.

This being so, you will see that the Commission has already finished three-quarters or seven-eighths of its work and that it would be a great pity not to finish the remaining eighth.

Four of the Commissioners are from far distant Dominions and it is morally certain that if the work stops now, these Commissioners would very probably not return. To substitute new ones in place of these to perform the small portion of the work necessary to be done and to make recommendations on a large portion which they did not personally go over, would be impracticable.

Again, if the Commission breaks up now, it will be practically impossible to take it up next year, as the probabilities are that either the Imperial Conference or the Dominion elections and elections in South Africa would take place, in any of which cases it would be impossible to go on with the work of the Commission. In fact, we came practically to the conclusion that, if it is not finished now, the whole thing will probably go by the board and all the work heretofore expended will go for naught. That would be in many respects a calamity at all hazards to be avoided.

We are communicating with the Chairman of the Commission in London who will probably bring the matter to the attention of the British Government, who in turn, if they think it necessary to discuss the matter, will communicate with the Dominions. All of these present Commissioners with the exception maybe of two will continue for the whole or greater part of the hearings.

I give you this so that you may understand the matter as it appears to us and be able to discuss it in the event of reference by the Home Government.

Yours sincerely,

GEORGE E. FOSTER

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[1] The Dominions Royal Commission was created in 1912, following the approval by the Imperial Conference of 1911 of Resolution XX, calling for an inquiry into the natural resources, trade and commercial legislation "of each part of the Empire represented at this Conference". George E. Foster represented Canada on the Commission.

410. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, December 16, 1914

SECRET. PRIVATE AND PERSONAL. Australian Government had made suggestion that Imperial Conference should meet next year in spite of continuance of hostilities but it seems to His Majesty's Government almost impossible to convene Conference before the conclusion of the War.

Please inform me privately whether this view is concurred in by your Minister[s].

HARCOURT

411. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, December 16, 1914

SECRET. PRIVATE AND PERSONAL. Your cable of today. My advisers entirely concur in view of His Majesty's Government. It would be exceedingly difficult if not impracticable for Ministers to leave their posts here during continuance of war. Moreover the adequate consideration of important subjects for discussion at conference would be almost impossible under existing conditions.

ARTHUR

412. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, January 9, 1915

SECRET. Imperial Conference. With reference to your telegram December 16th, I have informed Commonwealth [of Australia] that all other Governments are unanimous in view that Conference during the war would be most undesirable and practically impossible for some of them. I have also said that this view is shared by His Majesty's Government.

HARCOURT

413. *Colonial Secretary to Governor General*

TELEGRAM London, January 21, 1915

SECRET. Questions will probably be asked as to meeting of the Imperial Conference when House of Commons re-assembles here on 2nd February. May I state that your Ministers agreed with us in thinking it difficult and undesirable to call normal meeting of the Conference during the progress of hostilities? Except Australia, all the other Dominions take same view and I am obtaining their permission at the same time to state the fact.

Will you inform your Prime Minister at the same time that it is the intention of His Majesty's Government to consult him most fully, and if possible personally, when the time to discuss possible terms of peace arrives.

HARCOURT

414. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, January 23, 1915

Your despatch respecting Imperial Conference. My Ministers quite approve of your proposed statement.

ARTHUR

415. *Acting High Commissioner to Prime Minister*

CONFIDENTIAL

Dear Sir Robert, London, February 16, 1915

I am just in receipt of your letter of the 1st instant, enclosing copy of one to you from Mr. Cahan.[1] As you know, there is a good deal of truth in what he says about there being a disinclination here to devote time and consideration to efficient Imperial organisation, but I think he puts it rather too strongly. The Liberal politicians are much more interested in the question now than they ever were before, and in my opinion the present Government expects that the present and future relationship of the Dominions to the Mother Country will certainly come up for thorough discussion immediately after this war is over and be given most careful consideration in an endeavour to find some mutually satisfactory solution. Lord Islington, the present Under-Secretary of State for the Colonies, is keenly interested in this matter, and hopeful about it; and Mr. Harcourt and I have had several discussions on the subject.

At the same time I agree with Mr. Cahan that it is going to be difficult to overcome the natural inertia here, but every week that this war continues will make the people here understand the situation better, and help to bring home to them the fact that the time has come when the self-governing Dominions should share in the decisions regarding peace and war, and other questions of general interest to the whole Empire.

However, I am hoping to see you over here before long, when you will be able to size up the situation for yourself.

Yours very sincerely,

GEORGE H. PERLEY

416. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, May 13, 1915

SECRET. Prime Minister of Commonwealth of Australia informs me that his Government has decided to withdraw its representative from the Dominions Royal Commission. He observes that Commission in point of time has failed in its object and might in fact go on as if it were a permanent institution. He states that Commonwealth Government after full

[1] Charles Hazlitt Cahan, who had been for several years Honorary Secretary of the Halifax Branch of the Imperial Federation League.

consideration have definitely decided not to take any further part in work of Commission and that his Government is of the opinion that if the subject matter is to be further discussed it should be when the next Imperial Conference takes place.

I shall be obliged if your Ministers would let me have their observations as to the above.

HARCOURT

417. *Acting High Commissioner to Prime Minister*

TELEGRAM London, June 1, 1915

SECRET. Bonar Law anxious have you come over this summer. Will communicate with you himself. Personally consider it would be most helpful. Please advise me your decision as soon as made.

PERLEY

418. *Order in Council*

P.C. 1275 June 2, 1915

The Committee of the Privy Council have had before them a report, dated 28th May, 1915, from the Secretary of State for External Affairs, to whom was referred a secret telegraphic despatch, dated 13th May, 1915, from the Secretary of State for the Colonies to Your Royal Highness, conveying an intimation that the Government of Australia has decided to withdraw its representative from the Dominions Royal Commission on the ground of delay in the completion of the Commission's labours.

The Minister represents, in reference thereto, that the Dominions Royal Commission was appointed on the 5th of April, 1912, in accordance with a Resolution unanimously passed at the Imperial Conference of 1911 and which reads as follows:

> That His Majesty should be approached with a view to the appointment of a Royal Commission representing the United Kingdom, Canada, Australia, New Zealand, South Africa and Newfoundland, with a view of investigating and reporting upon the natural resources of each part of the Empire represented at this Conference, the development attained and attainable, and the facilities for production, manufacture and distribution; the trade of each part with the others and with the outside world, the food and raw material requirements of each and the sources thereof available, to what extent, if any, the trade between each of the different parts has been affected by existing legislation in each, either beneficially or otherwise, and by what methods consistent with the existing fiscal policy of each part the trade of each part with the others may be improved and extended.

That in pursuance of its instructions the Commission proceeded with its work of enquiry and examination, and up to the date of the temporary suspension of its labours on account of the war, at Quebec in August, 1914, had personally visited Great Britain, New Zealand, Australia, South Africa, Newfoundland and the Maritime Provinces of Canada, and practically completed the collection of information therein. Three months time would now suffice to complete its work of examination in the remaining provinces of Canada.

The Minister states that the Commission has issued preliminary reports on Australia and New Zealand, South Africa and Newfoundland, dealing with the particular phases of the local situation in each case; that final and comprehensive consideration of the broader aspects of the question as they affect the interests of the Mother Country and the Dominions has been left until the completion of the enquiry remaining to be made in Canada, and that an immense amount of far reaching and important information has been gathered on all the lines of enquiry imposed by the instructions, and a great deal of thought and consideration has been given by the members of the Commission to the questions involved.

The Minister is of the opinion that to dissolve the Commission at this stage when so much time and effort has been expended on collecting and digesting this Empire-wide information, and when so little time in addition is required to complete the investigation, and thus to prevent the final expression of the Commission's views and recommendations in the form of analysis and report, would involve the waste of most valuable and painstaking preparations and be a complete negation of the purpose and aims had in view by the authors of the Commission;

That there is nothing in Canadian conditions to prevent the Commission completing its investigation in Canada during the coming autumn, and thus having at its command the full data for all the countries embraced in the enquiry as a basis for its final analysis and report.

The Minister observes that the war, whilst temporarily interrupting established courses of trade and communication, and whilst likely to result in some geographical alteration of national boundaries, will not change in any essential particulars the facts as regards the natural resources, the industrial development, the raw materials required for Empire use and the sources from which they are to be obtained, nor the phases of trade, of transport, of cable and postal communication and of emigration so far as the United Kingdom and the Overseas Dominions are concerned; that temporary and partial dislocation in reference to any of these in no way vitally affects the normal basic facts, and also that at the period of readjustment on the conclusion of the war, the collected data and matured opinion of the Commission would be especially useful.

The Minister submits that for these and other reasons that might be adduced, it is the view of the Minister of Trade and Commerce, in which he concurs, that, instead of disbanding the Commission, the small remaining portion of the enquiry should be completed as soon as possible and the Commission asked to conclude its labours and place the results of its finding in the hands of the Imperial Government for the consideration of the next Imperial Conference.

The Committee concur in the foregoing and, on the recommendation of the Secretary of State for External Affairs, advise that Your Royal Highness may be pleased to cause a copy hereof, if approved, to be transmitted to the Right Honourable the Secretary of State for the Colonies for the information of His Majesty's Government.

All which is respectfully submitted for approval.

419. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, June 9, 1915

SECRET. Wise, Agent General New South Wales, informs me that Fisher, Australian Premier, strongly favours informal conference in London this summer of Premiers or representatives self-governing Dominions for purpose of consultation with each other and with Colonial Secretary touching the war. Please ascertain confidentially from Law whether he sees any objection. Both Australia and New Zealand seem anxious for such conference but presume there would be difficulty about South Africa. I would greatly appreciate early reply which may govern my own movements.

BORDEN

420. *Colonial Secretary to Governor General*

PRIVATE AND PERSONAL DESPATCH

Sir, London, June 11, 1915

In his private and personal letter to Your Royal Highness of the 8th of April, Mr. Harcourt spoke of the possibility of Sir Robert Borden paying a private visit to this country.

I should be greatly obliged if Your Royal Highness would inform Sir Robert that I entirely share my predecessor's views on this subject, and that, if he should decide to pay such a visit, it will give the Prime Minister and myself great pleasure to have an opportunity of discussing with him matters arising out of the war.

I should add that, since Mr. Harcourt's letter of the 8th of April was written, a communication in similar terms has been made to the Governor General of Australia and the Governor of New Zealand for transmission to their respective Prime Ministers.

I have etc.

A. BONAR LAW

421. *Acting High Commissioner to Prime Minister*

London, June 11, 1915

TELEGRAM

SECRET. Colonial Secretary says confidentially he thinks would be best for Premiers come here separately consult with British Government but if one of others chanced to be here at same time as you it would be all right. If however all came together by arrangement even though called informal they could not avoid keeping records and it would have all the disadvantages of formal conference at this time. We sincerely hope you can come.

PERLEY

422. *Prime Minister to Acting High Commissioner in United Kingdom*

Ottawa, June 11, 1915

TELEGRAM

SECRET. In my apprehension answer is unsatisfactory and reasons assigned trivial.

BORDEN

423. *Acting High Commissioner to Prime Minister*

London, June 12, 1915

TELEGRAM

SECRET. Have seen Law again. It is considered here that informal conference practically impossible and that any meeting by arrangement must become really formal and virtually Imperial Conference which seems inadvisable just now; but would carefully consider any argument you put forward against that view. Our friend is very anxious however to have you come for consultation.

PERLEY

424. *Prime Minister to Prime Minister of Australia*

Ottawa, June 14, 1915

TELEGRAM

SECRET. Do you intend going to London in early future and if so when? I expect to arrive early in July.

BORDEN

425. *Prime Minister to Prime Minister of New Zealand*

Ottawa, June 14, 1915

TELEGRAM

SECRET. Do you intend going to London in early future and if so when? I expect to arrive early in July.

BORDEN

426. *Prime Minister to Prime Minister of South Africa*

TELEGRAM Ottawa, June 14, 1915

SECRET. Will any special representative of your Government intend visiting London in early future? I expect to arrive early in July.

BORDEN

427. *Prime Minister of Australia to Prime Minister*

TELEGRAM Melbourne, June 15, 1915

SECRET. Thanks for your cable 14th. Will not leave Australia at an early date.

FISHER

428. *Prime Minister of New Zealand to Prime Minister*

TELEGRAM Wellington, June 17, 1915

Your telegram June 14th. New Zealand meeting of Parliament June 24th. Impossible for me to consider question of visit to London at present.

MASSEY

429. *Prime Minister of South Africa to Prime Minister*

TELEGRAM Pretoria, June 18, 1915

SECRET. Regret that no representatives of Government of South Africa likely to be going to England in near future. You might wish to discuss matters with Schreiner High Commissioner for South Africa and former Prime Minister [of Cape] of Good Hope.

[BOTHA]

430. *Colonial Secretary to Governor General*

TELEGRAM London, August 4, 1915

With reference to your despatch 11th June secret, in the circumstances propose to arrange if possible for completion of work of Dominions Royal Commission. Chairman of Commission in communication with Foster as to details.

BONAR LAW

431. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, August 6, 1915

Referring to your telegram August 4th. Dominions Royal Commission. Minister of Trade and Commerce states that suggestion involves visit to Western Canada in undesirable season, harvest over, country brown and bare, weather cold and uncertain. Beginning at Victoria about middle September would enable Commission in fine weather see at least part of richness of harvest time. Bateman[1] could reach Victoria via Panama and return with Commission or can go from Quebec to Port Arthur by water. Please try arrange that trip begun already too late may give Commission best remaining opportunity for seeing Canada.

ARTHUR

432. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, November 13, 1915

CONFIDENTIAL. Following cable received from Premier Australia. Begins. Have accepted invitation British Government to visit England exchange views. Understand similar invitation has been extended other Dominions that Prime Minister New Zealand has accepted. Would appreciate greatly opportunity discussing matters of common interest with you and New Zealand and would be glad to know whether you contemplate visiting England early next year. Ends. No invitation has come to Canada. Kindly ascertain situation and ask explanation.

BORDEN

433. *Acting High Commissioner to Prime Minister*

TELEGRAM London, November 16, 1915

CONFIDENTIAL. Colonial Secretary informs me that no recent or special invitation was sent to Premiers but simply general intimation sent last spring to all Dominions that Premiers would be welcomed here at any time although not considered best have formal Imperial Conference. Prime Minister New Zealand is coming over and probably Prime Minister Australia but on exactly same basis that you made your visit last summer. British Government would be glad see you here again at any time when convenient to you and I believe Colonial Secretary personally thinks it would be helpful if you happened to be here at same time as Australasian Premiers. I explained to him that Canadian session would probably prevent this and you will no doubt consider suggesting to Australasian Premiers to travel by Canada and meet you Ottawa. Colonial Secretary will answer official cable received this morning.

PERLEY

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[1] Sir Alfred Edmund Bateman, one of the six Commissioners representing the United Kingdom on the Commission.

434. *Prime Minister to Prime Minister of Australia*

TELEGRAM Ottawa, November 18, 1915

I would gladly welcome opportunity to confer with you and Prime Minister New Zealand but quite impossible visit Great Britain in early future as our session opens in January. Hope you[1] and Premier New Zealand will visit Canada *en route* Great Britain.

BORDEN

435. *Prime Minister to Prime Minister of New Zealand*

TELEGRAM Ottawa, December 30, 1915

Announcements in press state that you are contemplating a visit to England at an early date. Hope you will pay a visit to Canada on the way.

BORDEN

436. *Colonial Secretary to Governor General*

DESPATCH 11

Sir, Downing Street, January 5, 1916

I have the honour to transmit to Your Royal Highness to be laid before your Ministers, a copy of a letter from the India Office,[2] enclosing an extract from the proceedings of the Legislative Council of the Governor General of India, dated 22nd September, 1915, from which it will be seen that a Resolution was moved by the Honourable Mr. Muhammad Shafi, accepted by the Government of India and carried unanimously to the effect that representations should be made to His Majesty's Government that India should in future be represented on the Imperial Conference.

I have etc.

A. BONAR LAW

437. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH

Sir, Downing Street, January 5, 1916

With reference to my despatch No. 11 of this date regarding the representation of India at the Imperial Conference, I should be glad if you would inform your Prime Minister that as it will be some time before any action need be taken in the matter I hope to have the opportunity before that time arrives of discussing it personally with him.

I have etc.

A. BONAR LAW

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[1] For an account of Prime Minister Hughes' visit to Canada see Document 203, page 115.

[2] Not printed.

438. *Colonial Secretary to Governor General*

TELEGRAM London, March 15, 1916

An Economic Conference of the Allies is to be held at Paris on the invitation of the Government of France. The representatives of this country and I presume of the other Allied Governments will attend so far as arrangements after the war are concerned for the purpose of discussion only, and this Government will not be committed in any way in regard to trade after the war. If as the result of the conference any action should be contemplated no steps will be taken without full consultation with the Dominion.

BONAR LAW

439. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, March 16, 1916

Letter received respecting my proposed visit. Chief difficulty is by reason of session which probably will not end before Easter. If Colonial Secretary should send telegram urging visit and emphasizing its importance perhaps I could arrange with Laurier. Personally I prefer not to go unless my visit is considered really important.

BORDEN

440. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, March 17, 1916

Your telegram 15th. My advisers desire to know whether the arrangements for Economic Conference at Paris include provision for representation of Canada.

ARTHUR

441. *Colonial Secretary to Governor General*

TELEGRAM London, March 20, 1916

I do not think it possible to arrange that Dominions should be represented at Economic Conference at Paris and I hope that your Ministers will take the same view. No agenda has been presented yet and as I have stated in my telegram 15th March nothing will be done at the Conference to commit His Majesty's Government to any policy after the war and before any steps to formulate policy even for the United Kingdom are taken we shall take care that nothing will be done without full consultation with Canada and the other Dominions.

BONAR LAW

442. *Acting High Commissioner to Prime Minister*

TELEGRAM London, March 21, 1916

CONFIDENTIAL. Have had several talks with Colonial Secretary regarding proposed Trade Conference Paris. Saw official cable before it was sent and further answer which is being prepared today. Newspapers have apparently exaggerated its importance. Law assures me it is more in nature preliminary discussion before considering any policy and that nothing will be done even by United Kingdom without full previous consultation with Dominions. Law also says Premier Australia has not expressed wish attend conference. President Board Trade will go and am hoping Colonial Secretary also as he understands and entirely sympathizes with our point of view and then both trends of thought on fiscal questions would be represented. If you agree with this view suggest your cabling Law you hope he will find it possible attend conference himself.

PERLEY

443. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, March 22, 1916

Your telegram March 20th. Upon the understanding that nothing is to be done at Economic Conference at Paris which will commit Dominions in any way my advisers will not insist on Canada being specially represented. They hope you may be able to attend conference.

ARTHUR

444. *Acting High Commissioner to Prime Minister*

TELEGRAM London, April 8, 1916

CONFIDENTIAL. Have several times discussed proposed Economic Conference Paris with Colonial Secretary. Since I cabled you before find Hughes would like to go and Government feels that in view of public opinion he should be invited. Law is cabling you fully today saying they propose asking him to be one of their representatives in his capacity as Prime Minister and Imperial Privy Councillor and hopes you will approve and that you can also attend in the same way. Personally think that selection Dominion Prime Minister to represent Imperial Government is step forward. Wish you could have been there.

PERLEY

445. *Colonial Secretary to Governor General*

TELEGRAM London, April 8, 1916

SECRET. Following for Prime Minister. Private and personal. There is strong feeling that as the Prime Minister of Australia is here advantage can be taken of his presence to invite him to the Economic Conference at

Paris. From fear that other Dominions might object to Australia only being represented I hesitated from asking him but public pressure has precipitated the matter and made it unwise to delay further. He will be invited not as specially representing Australia but as an Imperial Privy Councillor to be one of the representatives of the British Government and as we have followed precedent set up in your case and invited him to attend a Cabinet Meeting this seems a suitable position for him, and I feel sure that you will approve of our action. Had you been here or if it should still be possible for you to come I need not say how much pleasure it would give us for you also to attend. It is my opinion that this Conference will only be a preliminary one and of no practical value.

BONAR LAW

446. *Governor General to Colonial Secretary*

PARAPHRASE OF TELEGRAM Ottawa, April 11, 1916

SECRET. Following from Prime Minister. Private and personal. Your message 8th respecting Economic Conference at Paris. We quite appreciate the considerations which you have brought to our attention and we entirely approve of the invitation to the Prime Minister of Australia to attend the Conference as one of the representatives of the British Government. I greatly regret that public duties here prevent me from attending.

ARTHUR

447. *Colonial Secretary to Governor General*

TELEGRAM London, April 20, 1916

Following for Prime Minister. As soon as date of Economic Conference is settled I shall inform you and I need not say that if you should find it possible to attend His Majesty's Government would much appreciate your presence.

BONAR LAW

448. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, May 8, 1916

SECRET. Following to be communicated very confidentially to your Ministers:

We desire to convene a conference of representatives of the United Kingdom, the Dominions and India as soon as possible to consider what commercial policy should be adopted after the war with special reference to the following questions:

1. What industries are essential to the future safety of the Empire, and what steps ought to be taken to maintain or establish them?

2. With regard to home and foreign trade lost during war what steps ought to be taken to recover them and to secure new markets?

3. How far and by what means the resources of the Empire should and can be developed so as to render it independent of foreign sources of supply?

4. How far and by what means can sources of supply within the Empire be prevented from falling under foreign control?

In view of past fiscal controversies in this country we consider it essential as a prior step in order that the conference may have practical results to set up a committee here with a view of discovering how far under the changed conditions brought about by the war agreement among ourselves may be possible.

We wish however to make it quite clear that in our judgment the appointment of this committee whatever may be the result will not as we hope delay unduly the holding of the larger conference or interfere in any way with the free and unprejudiced discussion of the problem with the oversea representatives.

This method of procedure will it is trusted commend itself to your Ministers.

BONAR LAW

449. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, May 12, 1916

Your secret telegram 8th May respecting conference as to commercial policy. My Advisers have no objection to proposed action in setting up Committee to consolidate fiscal opinions in United Kingdom.

ARTHUR

450. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, May 30, 1916

Regret cannot attend Paris Conference.

BORDEN

451. *Colonial Secretary to Governor General*

TELEGRAM London, June 1, 1916

SECRET. With reference to my telegram April 20th. Following for Prime Minister. Begins. The meeting of the Economic Conference in Paris will take place on the 14th June. If as I understand Sir George Foster will shortly reach England it is proposed by H. M.'s Government to invite him to attend Conference as one of their representatives. Ends.

BONAR LAW

452. *Acting High Commissioner to Prime Minister*

TELEGRAM London, June 2, 1916

Have discussed several times with Colonial Secretary desirability of inviting Foster attend Paris Conference on June 14th. Happy say this has been now arranged.

PERLEY

453. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, June 3, 1916

Following from Prime Minister: Thanks for telegram respecting Economic Conference. The Government and people of Canada will deeply appreciate proposed invitation to Sir George Foster.

ARTHUR

454. *Colonial Secretary to Governor General*

TELEGRAM London, June 8, 1916

H.M.'s Government have taken advantage of presence here Sir George Foster Canadian Minister of Trade and Commerce invite him to be one of the representatives of H.M.'s Government at the Economic Conference of the Allies. Sir George has consented.

BONAR LAW

455. *Minister of Trade and Commerce to Prime Minister*

Paris, June 13, 1916

Dear Sir Robert,

. . . I also received intimation of my appointment as representative of the British Government to the Economic Conference of the Allies in Paris and had several interviews with Mr. Bonar Law in regard thereto. The programme as prepared is a rather extensive one and certainly has some very important features. What part of this programme will survive at the end of the conference no one can tell, as all the Allied nations, including Portugal, are to be represented thereon. This creates a great variety of interest and in reference especially to Italy and Japan shows possible difficulties which may not be easily surmounted. Adhesion to general principles is probably not difficult to obtain but when the details come to be worked out, procedure becomes difficult and the result remains problematical.

We came to Paris on Monday and spent the afternoon of that day and this afternoon in carefully discussing the various propositions and resolutions which had been prepared by the French Government and defining as best we could the attitude of the British delegation thereon. Each nation has one vote and of course there must be agreement between the members of

the delegation. Mr. Hughes found some difficulty in bringing himself in consonance with that procedure. He comes, of course, as representing the British Government and not as representing Australia, in the same position as myself in respect to Canada, and it is not quite possible under these circumstances that either one of us can have exactly the same attitude of mind as though we were living in the United Kingdom and responsible simply for our actions therein. However, it does not appear at present that any great difficulty will arise in that respect.

This afternoon we met M. Clémentel, who is to act as the presiding officer of the Conference, and compared notes as between our own views and those of the French Government. M. Clémentel has been in pretty intimate touch with the other Governments and knows pretty well their views on the different subjects to be discussed. He is hopeful that the conference will not be void in results. Afterwards we met the delegations from Italy and Portugal in turn and compared notes with them.

To-morrow at 10 o'clock the Conference opens and we shall be fortunate if we get away by Sunday. Whatever results, the opportunity of being present and becoming conversant with the difficulties, the desires and the points of view of the Allies is a very valuable one for me and I hope for Canada. . . .

Yours sincerely,

GEORGE E. FOSTER

456. *Minister of Trade and Commerce to Prime Minister*

Dear Sir Robert, London, June 19, 1916

The Economic Conference finished its work on Saturday and yesterday I returned to London with the other members of the British delegation.

It was certainly a unique and notable gathering. The representatives of the different countries were able and practical men and came to the work of the Conference with the fixed desire to find a basis of agreement on the various points involved. The Conference, of course, was not intended for work in detail and devoted its whole time towards laying down the principles of policy to be pursued. It was somewhat remarkable how quickly the delegates got together in mutual understanding of the diverse conditions and interests involved and how whole-heartedly and earnestly they worked with a view to practical and beneficial results.

The proceedings were carried on in the French language, of course, and practically all the delegates with the exception of Mr. Hughes and myself were able to carry on the conferences as between the different groups and the proceedings of the Conference in that language. Lord Crewe and Mr. Bonar Law were able to express their views for the most part in French, but when matters of particular importance were to be treated of, Mr. Bonar Law resorted to English, as did Mr. Hughes and myself, our views being made plain to the Conference through immediate interpretation.

The Conference was very fortunate in having as its presiding officer, M. Clémentel, the French Minister of Commerce, whose courteous firmness combined with a very pleasant personality materially contributed to the success of the deliberations. The President of France took a deep interest in the proceedings, received the delegation in a body and made them a very appropriate and inspiring address. He was also good enough to receive the members of the British delegation separately.

The *procès-verbal* is not yet published, but the conclusions of the Conference will have been made public before you will have received this. I am sending you a copy of the resolutions as passed, together with the opening and closing addresses.

Yours sincerely,

GEORGE E. FOSTER

457. *Chairman, Dominions Royal Commission, to Colonial Secretary*

London, July 5, 1916

Dear Mr. Bonar Law,

You will remember that last year we had some correspondence concerning the possibility of a second visit by the Dominions Royal Commission to Canada as the result of a definite proposal by the Dominion Government that the work should be completed as soon as possible (see your letter of 14th July, 1915). It was, however, found impossible for a sufficient number of the members to make [the] visit, and accordingly the suggestion fell through.

This year I have taken advantage of Sir George Foster's presence in England to discuss with him personally, and with the other members available the question of the future work of the Commission. I have also ascertained from the members of the Commission now overseas their views on the question of a visit to Canada this autumn. There is, as no doubt you will understand, considerable divergence of view as to the desirability of taking up the work again at this stage of the War, and Sir Rider Haggard, who is now, as you know, in Canada on other work, has telegraphed that it seems doubtful whether important witnesses would be available. Sir George Foster, however, assures us that there will be no difficulty in obtaining the necessary evidence, and he is particularly anxious that the work should be completed, if possible, this year.

I have ascertained that provided that it was the wish of His Majesty's Government and the Dominion Governments concerned, that the Commission should finish its work as soon as possible, at least six of the members of the Commission would be prepared to visit Canada this autumn. I fear that I should not myself be able to get away for so long a period. The Commission would be grateful if you would let me know what the views of the Governments are. I would ask for as early an answer as possible, as, assuming that

it is desirable that the visit should be undertaken, the preparations should be put in hand forthwith.

If you should wish to discuss the matter personally with Sir George Foster or myself, we are, of course, at your service.

Yours very truly,

D'ABERNON[1]

458. *Minister of Trade and Commerce to Prime Minister*

TELEGRAM London, July 10, 1916

Colonial Secretary has cabled you regarding completion of work of Dominions Royal Commission in Canada this autumn. I strongly recommend course adopted. Report to be of use should be completed before hostilities cease. It would be impossible to complete it in any reasonable time after close of war owing to confusion and dislocation. Unless therefore it is finished now probabilities are it will never be completed. There is no difficulty in preparing for and completing work in September and October.

FOSTER

459. *Colonial Secretary to Governor General*

TELEGRAM London, July 15, 1916

My confidential despatch August 24th. Foster strongly presses for resumption work Dominions Royal Commission and visit Canada this autumn and Chairman has discussed question with him and other members available. He has also obtained by telegram views of members now overseas. Chairman (informs me?) provided that it is wish of H.M.'s Government and Dominion Governments that Commission should finish its work as soon as possible at least six members would be prepared to visit Canada this autumn. In the circumstances if your Government and other Dominion Governments agree I propose inform Chairman that we approve proposal. I understand that final report will be submitted as soon as possible after visit completed. Please telegraph reply as soon as possible.

BONAR LAW

460. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, July 20, 1916

Your telegram July 15th. Dominions Royal Commission. My Advisers agree to proposal that Commission should finish its work as soon as possible.

ARTHUR

[1] Viscount D'Abernon, Chairman of the Dominions Royal Commission from the time of its establishment in 1912.

461. *Colonial Secretary to Governor General*

TELEGRAM London, July 24, 1916

With reference to my telegram 8th May, commercial policy after war, Prime Minister is announcing in Parliament today concurrence of Dominion Governments in procedure indicated and intention to convene conference later. Committee referred to has now been appointed here.[1]

BONAR LAW

462. *Colonial Secretary to Governor General*

DESPATCH 850

Sir, Downing Street, August 5, 1916

With reference to my telegram of the 15th July, and your reply of the 20th July, I have the honour to request Your Royal Highness to inform your Ministers that as the three other Dominion Governments concerned have also agreed that the Dominions Royal Commission should pay a second visit to Canada this autumn, and prepare its Final Report[2] as soon as possible afterwards, I have informed the Chairman of the Commission that I approve this procedure. I enclose for your Ministers' information copy of the correspondence on the subject.[3] I understand that Sir G. Foster is now making the necessary arrangements for the visit.

2. I take this opportunity of stating with reference to my despatch No. 78 of the 26th January last, that in April of this year it was found necessary to recall Mr. E. J. Harding, Secretary of the Dominions Royal Commission, from military service in order to resume his duties in the Colonial Office. I have, however, been able to arrange for him to accompany the Commission to Canada.

I have etc.

A. BONAR LAW

463. *Memorandum for Governor General in Council*

Ottawa, October 10, 1916

The undersigned, to whom was referred a despatch to Your Royal Highness from the Secretary of State for the Colonies, dated 21st September last, regarding the suggested representation of India in the Imperial Conference, has the honour to submit, that Your Royal Highness's advisers,

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[1] The Balfour Committee, to consider commercial and industrial policy after the war, reported on February 2, 1917. Its report favoured the principles of protection and preferential tariffs within the Empire.

[2] Cd. 8462, March 1917.

[3] Not printed.

recognizing the weight of the considerations advanced in the enclosures in that despatch as justifying the claim preferred by India to be introduced as a responsible unit into the Councils of the Empire, approve the proposal that India should be officially represented in the Imperial Conference.

He recommends, therefore, that a reply in this sense be returned by Your Royal Highness[1] to Mr. Bonar Law's despatch under reference.

Humbly submitted.

R. L. BORDEN

464. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, December 20, 1916

SECRET. Canadian Government will have received through Reuters full report of Prime Minister's statement respecting summoning of Conference.[2] Your Ministers will doubtless concur as to the desirability of this as soon as practicable. The state of public business in some of the Dominions I realise may be a difficulty and I should be glad to have early expression of your Ministers' views as to the date on which it would be possible for representatives of Canadian Government to attend and also as to the questions which they would suggest for discussion with a view of attaining the objects indicated by the Prime Minister.

After collecting views of all Dominions I will communicate with you further.

LONG

465. *Colonial Secretary to Governor General*

TELEGRAM London, December 25, 1916

SECRET. I wish to explain that what is contemplated by His Majesty's Government is not a session of the ordinary Imperial Conference but a special War Conference of the Empire. H.M. Government therefore invite

[1] The recommendation was not confirmed by the Cabinet but was held for consideration at a later date. In January 1917 a decision was reached to suspend action in the matter of Indian representation pending its discussion at the Imperial War Conference in March. Among the papers prepared for Borden's use before the conference was the following note on India: "As at present constituted India cannot be represented at the Imperial Conference. On the 22nd September 1915, a resolution was moved in the Imperial Legislative Council of India to the following effect: 'This Council recommends to the Governor General in Council that a representation be sent, through the Right Honourable Secretary of State to His Majesty's Government urging that India should, in future, be officially represented in the Imperial Conference'. The resolution was accepted on behalf of the Government of Lord Hardinge and was approved by the Council without a division. It has been suggested that while full representation is not likely to be secured, Lord Hardinge might be allowed to attend as representing India. It is generally recognized that, on account of the part India has played in the war, its position demands generous treatment and its application favourable consideration."

[2] United Kingdom, *Parliamentary Debates, House of Commons*, 1916, Vol. 88, Col. 1355.

your Prime Minister to attend a series of special and continuous meetings of the War Cabinet in order to consider urgent questions affecting prosecution of the war, the possible conditions on which in agreement with our Allies we could assent to its termination, and the problems which will then immediately arise.

Your Prime Minister, for the purpose of these meetings, would be a member of the War Cabinet.

In view of the extreme urgency of the subjects of discussion, as well as of their supreme importance, it is hoped that your Prime Minister may find it possible in spite of serious inconvenience involved, to attend at an early date—not later than end of February. While the presence of your Prime Minister himself is earnestly desired by H.M. Government they hope that if he sees insuperable difficulties he will carefully consider the question of nominating a substitute, as they would regard it as a serious misfortune if any Dominions were left unrepresented.

Please make arrangements to publish this on Wednesday morning as it will be published here at that time.

LONG

466. *Prime Minister to Governor General*

Ottawa, December 27, 1916

Sir,

The invitation to attend a series of special and continuous meetings of the War Cabinet beginning about the end of February has given to my colleagues and myself a good deal of concern, as under present conditions my absence at that time will be attended with considerable inconvenience and may give rise to serious difficulties. However, I feel it my duty to accept the invitation if at all possible and in this my colleagues concur. A suitable reply will be prepared in the immediate future to be transmitted through Your Excellency.

Having regard to the new conditions created by this invitation and its acceptance it has been thought desirable to expedite as much as possible the meeting of Parliament. Accordingly a Minute of Council fixing Thursday the 18th of January as the date of opening has been prepared and will be submitted for approval.

I thought it proper to make Your Excellency acquainted with the reasons for this change from the view which I expressed when I had the honour of an interview yesterday.

I have etc.

R. L. BORDEN

467. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, January 1, 1917

SECRET. I would like to make it clear that if your Prime Minister desires the presence at War Cabinet of colleagues of whose special knowledge he wishes to avail himself the latter will be welcome, though the Prime Minister alone of course will be a member of War Cabinet. Further, if your Ministers should desire to discuss other questions of common interest not directly affecting the conduct of the war, or less appropriate for discussion at War Cabinet, His Majesty's Government are prepared to arrange facilities for conferring on any other questions that await decision between Dominions and Imperial Government, although it may not be possible for the Prime Minister to preside.

LONG

468. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, January 5, 1917

SECRET. My Prime Minister and his colleagues have taken into earnest consideration the very important announcement set forth in your secret telegram of 25th December which has since been made public. He and his colleagues concur in the view that it is his duty to attend this Conference without regard to any difficulties here which his absence may occasion. With that view Parliament has been summoned for the 18th instant in order that business may be facilitated and advanced as much as possible before his departure. He would greatly appreciate information of a more definite character as to the questions to be considered, especially those touching the prosecution of the war and conditions of peace so far as they have been considered. He would also be grateful for earliest possible information as to latest date to which he may delay his departure for England and as to probable length of proposed series of meetings if that has been considered.

469. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, January 22, 1917

SECRET. I hope to telegraph you very soon detailed list of subjects to be discussed at forthcoming Conference as they are now under careful consideration. General subjects proposed for discussion are:

1. Closer combination and increased effort with a view to the more effective prosecution of war and increase of war supplies.
2. The lines to be adopted by us all in the event of fresh peace proposals.
3. Other problems arising immediately upon peace.

Other subjects not so directly affecting the conduct of the war can be considered in conference here. As I have already intimated we shall welcome any colleagues of your Prime Minister whose presence he may desire at Conference, especially Ministers charged with Defence and Finance. It is desirable that Conference should meet as speedily as possible. Please telegraph when Canadian representatives can be here.

LONG

470. *Colonial Secretary to Governor General*

London, January 26, 1917

PARAPHRASE OF TELEGRAM

SECRET. War Conference. Following is list of proposed subjects referred to in my telegram January 22nd. It is not, especially under the first head, intended to be exhaustive.

1. Increased effort in men, money, transport, etc.
   (*a*) Control of shipping.
   (*b*) Methods of recruiting here.
   (*c*) What is being done in all other parts of the Empire.
2. Policy with reference to peace proposals.
   (*a*) Territorial changes.
   (*b*) Policy of clean slate, that is, of barring in peace treaty all claims of enemy Governments or individuals.
   (*c*) Policy of free hand commercially, that is, of refusing most favoured nation or other terms to enemy commerce.
   (*d*) Revival of treaties with enemy Powers. All treaties being terminated by war, it will be necessary to draw up schedule of treaties which must be revived.
3. Immediate problems arising on peace.
   (*a*) Demobilization.
   (*b*) Commercial and industrial policy after the war including tariff, subsidizing British shipping, treatment of German shipping.
   (*c*) Constitution of Empire.

Other subjects not so directly connected with war which might be discussed here.

1. Double income tax.
2. Organization of Consular and Intelligence Services. See my despatch No. 1260 of November 9th.
3. Naturalization and control of aliens.
4. Prize bill.
5. Control of meat supplies.
6. Emigration.

LONG

471. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, January 27, 1917

SECRET. The Prime Minister has arranged for adjournment of Parliament during his absence. Business will be expedited so that he can sail not later than 10th February. He will be accompanied by Minister Naval Defence and another Minister. Having regard to recent visit Minister of Finance it is considered that his presence will not be necessary and moreover his duties require his presence here. Minister Militia also unable to leave and his attendance is considered unnecessary as Minister of Overseas Service will be available when required.

DEVONSHIRE

472. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, January 29, 1917

URGENT. SECRET. Your telegram 28th January[1]. Have just learnt that Smuts who will represent South Africa cannot leave until about February 15th. We have no intimation so far as to the representative of Australia. It is not likely in these circumstances that the whole Conference could in any case meet before the first week in March and your Prime Minister may therefore wish to consider whether he would prefer to defer his departure beyond date mentioned.

LONG

473. *Minister of Overseas Military Forces to Prime Minister*

TELEGRAM London, January 29, 1917

CONFIDENTIAL. Regarding Imperial Conference and your visit here, am afraid you are planning come too soon. Doubt if Conference can possibly commence before March. Newspaper this morning says House will adjourn for two months from February 7th. Think personally Conference unlikely be finished in time to permit your return Canada for April 7th, in which case adjournment would be too short. Fear Colonial Office has not kept you thoroughly advised regarding difficulties fixing definite date for Conference, owing to uncertainty in Australia. Walter Long's oldest son, General Long, who was A.D.C., Duke of Connaught, has unfortunately been killed at Front. Cannot, therefore, see Colonial Secretary but am urging Colonial Office cable you fully to-day. On enquiry am informed British Government will provide quarters for all Dominion representatives. I will, therefore, not arrange accommodation as you request. Regarding confidential expert typewriter [i.e., typist] will enquire and advise later. Can doubtless arrange escort but will await further cable from you.

PERLEY

[1] Presumably Document 471.

474. *Prime Minister to Minister of Overseas Military Forces*

TELEGRAM Ottawa, January 30, 1917

Cable received. Long cabled twenty-fifth December desiring my attendance not later than end February. His cable twenty-seventh January[1] stated that it was desirable that conference should meet as speedily as possible and requested intimation as to when Canadian representatives would arrive. On twenty-seventh January I informed Long that I would sail about tenth February. Parliament will probably be adjourned to middle or end April. It is practically impossible to alter arrangements made here and we expect to adjourn in about a week.[2]

BORDEN

475. *Prime Minister to Acting Prime Minister*

PRIVATE London, April 5, 1917

My dear Sir George Foster,

I have your telegrams of yesterday with regard to Parliament and the Railway situation and I am quite content to accept the conclusions which you have reached.

Our work at the Imperial War Conference is not proceeding very expeditiously and I fear a good deal of time has been lost in discussing comparatively minor matters. The New Zealand representatives have occupied about three-quarters of the time up to date. I have spoken to the Colonial Secretary about this but I have told him that unless more effective methods are adopted after Easter Canada will not continue to be represented at the Conference.

There is a strong conviction that Germany is putting all her available resources of man-power into the field for the summer's operations, with a view to achieving some decided and striking success before the resources of the United States can be brought into play. We shall probably send our 5th Division to France within a few weeks, as there may come a time during the summer when it will be a waste of resources to withhold all available striking power, even if reinforcements therefor are under the mark.

A section of the press in this country carry on against the Government the same kind of campaign that is kept up against us in Canada. Unfounded allegations are spread broadcast with the apparent intention of disturbing public opinion.

I am sending you a copy of *The Times* containing my speech before the Empire Parliamentary Association. It was very well received and it elicited very warm congratulations from the members of the British Cabinet, and especially from Mr. Lloyd George.

[1] Presumably Document 469.

[2] Sir Robert Borden left Ottawa on February 12 and attended his first meeting of the Imperial War Cabinet on March 2nd. The Imperial War Conference did not begin until March 21st.

The development which has been brought about by force of circumstances, rather than by design, since we came here, is a remarkable phenomenon. Doubtless it was intended originally that all meetings of the War Cabinet should be attended by the representatives of the Dominions. However, we were obliged to attend meetings of the Imperial War Conference on alternate days. The pressure of affairs made it necessary that meetings of the British War Cabinet should be held on those alternate days. Naturally the Secretaries arranged as far as possible that at these last-named meetings the business transacted should be that specially appertaining to the participation of the United Kingdom in the war. Separate records of the proceedings had to be kept; and in the most natural way possible there arose in the very nature of things two Cabinets, which are designated as the Imperial War Cabinet and the British War Cabinet.

What this development may be in respect of future constitutional relations it is impossible to predict. As I have said, it has come about, as often has happened in the past, by necessity imposed by conditions and events, rather than by design. I did not realise what had occurred until a few days before I spoke.

The revolution in Russia was a much greater uprising so far as Petrograd is concerned than has been reported in the press. I have just seen Bury, [1] who returned from Russia this morning. It is hoped that the conditions will now become stable, so that Russia's effort in the war, although undoubtedly delayed, will not be unduly minimised.

With best wishes etc.

[R. L. BORDEN]

476. *Extracts from Minutes of Proceedings of the Imperial War Conference, 1917*

CONSTITUTION OF THE EMPIRE

April 16, 1917

Sir ROBERT BORDEN: I should like to make a slight amendment in the terms of the Resolution by substituting for the word "thereafter" at the end of the first paragraph the words "as soon as possible after the cessation of hostilities." It would then read in this way: "The Imperial War Conference are of opinion that the readjustment of the constitutional relations of the component parts of the Empire is too important and intricate a subject to be dealt with during the War and that it should form the subject of a special Imperial Conference to be summoned as soon as possible after the cessation of hostilities. They deem it their duty, however, to place on record their view that any such readjustment, while thoroughly preserving all existing powers of self-government and complete control of domestic affairs, should be based upon a full recognition of the Dominions as autonomous nations of an Imperial Commonwealth, should recognize their right to an adequate

[1] Sir George Bury, Vice-President of the Canadian Pacific Railway, who visited Russia in 1917 to help in the organization of shipping.

voice in foreign policy and in foreign relations, and should provide effective arrangements for continuous consultation in all important matters of common Imperial concern and for such necessary concerted action founded on consultation as the several Governments may determine."[1]

This subject is one upon which I might speak at great length. Many proposals with regard to the subject have been discussed in the United Kingdom and in all the Dominions of the Empire for many years past in all possible phases. There can be no doubt as to its importance. The growth of the Dominions in wealth and population has been very remarkable during the past fifty years, especially during the last twenty-five years. Their future growth we hope—and, more than that we believe—will be even more marked. Foreign policy and foreign relations, with which is intimately connected the question of the common defence of the Empire, have been under the immediate control of the Government of the United Kingdom, responsible to the Parliament of the United Kingdom. It would appear from the views of constitutional writers that this condition during the later phases of the growth of the Oversea Dominions has proceeded on a theory of trusteeship which, whatever may be said of it in the past, is certain to prove not only entirely inadequate to the needs of the Empire but incompatible with the aspirations of the people of the Dominions in the future. I have spoken of the growth of the Dominions; it is by no means improbable that children now living will see their population surpass that of the United Kingdom. It is quite within the range of possibility that a single Dominion might grow to the extent which I have mentioned. Therefore it seems to me beyond question that the theory of trusteeship to which I have alluded cannot be continued indefinitely in the future.

In approaching the subject one is impressed especially with this consideration, that the greatest intellects of the Empire in the past have miscalculated the conditions that would develop in the Dominions, and have failed to foresee the relations of the Empire under the policy of developing full powers of self-government which was supposed to have the tendency of weakening, if not severing, the ties which unite the Dominions to the Mother Country. The policy of complete control in domestic affairs and complete autonomy in all local affairs, instead of weakening the ties which unite the Empire, has very greatly strengthened them. It was said by a statesman of the highest capacity after that policy had been embarked upon (that is the policy of granting to the Dominions complete autonomy) that it was an

[1] Earlier drafts of this resolution (which was adopted by the Conference as Resolution IX) indicate that it probably originated with Borden, who consulted British and Commonwealth Ministers on the principles and wording. The collaboration of General J. C. Smuts, who proposed a number of textual amendments, was particularly close. Lord Milner suggested to Borden the substitution of "as soon as possible after the cessation of hostilities" for "thereafter" in the first sentence of the resolution.

Writing to Borden in 1922 Smuts claimed, "Remember it is you and I that have been mostly responsible for that recasting of the British Empire which is perhaps the most solid fact that has emerged from the Great War. A great world group of equal states bound together in some indefinable organic union is quite a new constitutional category in the historical evolution of the world."

absolute mistake, that it could only lead to the weakening and severance of relations, and that it would have been a wise policy to preserve in the United Kingdom control of the natural resources of the Dominions, and control over their fiscal policy; that this would have tended to unite the Empire, and regret was expressed that some such policy had not been maintained. All of us in the Dominions, and I think the people of the British Isles, realise now that any such policy would have had most unfortunate and, more than that, disastrous results. The policy which was supposed to weaken the Empire has really strengthened it, and I look forward to a development in the future along the line of an increasingly equal status between the Dominions and the Mother Country. It seems to me that the attainment of full citizenship, which involves a voice in foreign relations, will proceed along the line to which I have alluded. The nations of the Empire are really bound together by the tie of a common allegiance, by like institutions and ideals of democracy, and by like purposes. Such ties will bring the nations of the Empire together more closely upon the line which I have mentioned. I say this with a full understanding that it is unwise, having regard to the lessons of the past, for any of us to predict absolutely the developments of the future. But, nevertheless, the line of development which has been noticeable during the past twenty or twenty-five years seems to point unmistakably to that conclusion. Indeed, the action of the Dominions in this war has made the spirit of nationhood splendidly manifest. The fact that one million men in the Dominions have taken up arms for the defence of the Empire's existence and the maintenance of its future influence is so significant a lesson that one would be unwise not to have it constantly in mind. I believe that the Dominions fully realise the ideal of an Imperial Commonwealth of United Nations and one should not forget the importance of the Crown as a tie between the Dominions and the Mother Country. His Majesty King George V is especially associated with the Oversea Dominions, because he is the first Sovereign who, before he ascended the Throne, availed himself of the opportunity to visit all parts of the Empire and to make himself acquainted with the ideals and aspirations of their people. And the Queen was recognised throughout the Dominions of the Empire as distinctively a British princess before her marriage to the King.

Now the subject of the future relations of the Empire is not only an important but a very complex one. I would not make any conjectures beyond what I have said as to the ultimate solution. It is manifest, I think, that under the present conditions it would be unwise for this Conference to attempt to enter upon that subject. I hope that the delegation which will come to the next Conference from the Dominion which I have the honour to represent will be representative of all political parties. A subject of the vast importance which is involved in the consideration of future inter-Imperial relations would seem to demand that condition if it is to be approached in a proper spirit, because we all agree, I am sure, that so great a question ought not to be made, either here or in the Dominions, a question of party strife or party controversy if it can possibly be prevented.

There has been a very remarkable advance even since we arrived in the British Islands; it is a development which has greatly impressed me, and it seems to be due to the force of great events rather than to any premeditation or design. The fact that an Imperial War Cabinet as well as a British War Cabinet are sitting in London to-day is in itself of great significance. There may be possibly some guidance in that step for the future relations which will give to the Overseas Dominions their proper voice in the great matters which I have mentioned. However, it would be unwise to attempt to forecast. The Resolution which I have proposed does not attempt to do so: it merely proposes that a special Imperial Conference shall be summoned as soon as possible after the War; and it does at the same time place on record the view of this Conference that any readjustment of relations must, in the first place, preserve all the existing powers of self-government and complete control of domestic affairs, that it must be based on a complete recognition of the Dominions as autonomous nations of an Imperial Commonwealth, and must fully recognise their right to a voice in foreign policy and in foreign relations. The willing acceptance of that principle by the Mother Country is an immense stride in advance.

I have had the advantage of discussing the terms of the Resolution to some extent with my colleagues round this board, and I have made them all acquainted with the principle which is embodied in the Resolution. I hope that it may commend itself to their judgment. I hope further that the Conference to be summoned will approach its deliberations and frame its conclusions on the lessons of the past, so that the future structure of the Empire may be erected on the sure and firm foundations of freedom and co-operation, autonomy, and unity.

CHAIRMAN: Do you move that Resolution now?

Sir ROBERT BORDEN: Yes, I move the Resolution.

. . .

Sir SATYENDRA SINHA:[1] Sir, I should like, while supporting this Resolution, to make what I consider to be a merely verbal alteration, because I am certain that it could not be intentionally meant to exclude India, especially after the Resolution which this Conference has already passed. I therefore propose that we should add to the Resolution, in the second paragraph, after the words "upon a full recognition of the Dominions as autonomous nations of an Imperial Commonwealth", the words "and of India as an important portion of the same." The Resolution was drafted, of course, with special reference to the self-governing Dominions, but, as I said, it could not have been intended to exclude India from participation in the arrangements which are recommended for the purpose of representation in foreign policy and in foreign relations. The foreign policy and the foreign relations of the Empire are to a very large extent concerned with India, and, therefore, it is only right that India should be represented in all consultations for the purpose of dealing with such foreign policy and foreign relations.

[1] Member Designate of the Executive Council of Bengal.

As a corollary to that amendment I propose another consequential one, namely, that instead of the words "should recognise their right to an adequate voice in foreign policy and in foreign relations," in order to make it perfectly clear we should say "in order to recognise the right of the Dominions and of India to an adequate voice in foreign policy," and so on. It is with some diffidence that I address the Conference and ask for this amendment to be made, but I do so principally on the assurance that it is bound to be acceptable, having regard to the attitude of the Conference already with regard to India.

I do not desire to take up the time of the Conference with anything further, except to say that I wish to associate myself on behalf of India with the sentiments that Sir Robert Borden expressed with regard to the monarchy. India has in a peculiar degree a sense of loyalty to the person and throne of the monarch in England, and it would, therefore, give the greatest satisfaction to my countrymen that this Conference should unequivocally express its declaration that the monarchical form of government, as it is, is the best suited to the requirements of the Empire.

Sir ROBERT BORDEN: Mr. Chairman, I merely want to say that, so far as India is concerned, I accept most willingly the proposed amendment, and I am very happy to do so. . . .

477. *Prime Minister to Acting Prime Minister*

London, April 19, 1917

TELEGRAM

SECRET. For Foster. On Monday evening we had an informal discussion between members of Conference at which migration of Indians was fully and frankly discussed. India's claims were put forward moderately and fairly but very ably by Sinha. I expressed to him with equal frankness the difficulties of our position and said that it would be idle for a Government to take any stand which would not be supported by public opinion. It was arranged that Indian representatives should prepare draft resolution and submit it to us before giving formal notice. This has been done and proposed resolution is in the following terms. Begins. First, that in the matter of immigration due regard should be had on the one hand to the desire of India for complete citizenship in the Empire and on the other hand to the difficulties of the self-governing Dominions and that the conditions of future emigration and immigration between India and the Dominions should be regulated on the basis of reciprocity. Second, that visits between India and the Dominions for purposes of travel, education, business or otherwise than for permanent settlement should be free subject only to passport or such other similar system as may be agreed upon between the Dominions concerned. Third, while the right of each country to regulate its own immigration is recognized and while India makes no claim for unrestricted emigration to the self-governing Dominions yet a strictly limited number of Indians annually should be allowed to settle permanently in any of these

Dominions. The number in each case should be determined by agreement between the Dominions concerned on the one hand and the Secretary of State for India on the other but provision should be made that India shall not be placed in this respect in a worse position than the most favoured Asiatic nations which are not subject to the British Crown. Fourth, that Indians residing or settled in the Dominions shall receive just and equitable treatment, shall not be subjected by reason of their nationality to any legal disabilities and expense [and in] particular shall have the right to bring in each individual case a wife and minor children if any. That existing municipal and political franchises should be continued and that where these franchises do not exist they should be granted at such time and under such conditions as the authorities in each Dominion think fit. Ends. I fear that this resolution will require considerable modification but before discussing it with Indian representatives I desire opinion of Cabinet with least possible delay.

BORDEN

478. *Colonial Secretary to Governor General*

TELEGRAM London, April 21, 1917

With reference to my despatch 21st September No. 1070. Following Resolution passed unanimously at meeting of Imperial War Conference April 13th:

> That the Imperial War Conference desires to place on record its view that the Resolution[1] of the Imperial Conference of April 20th 1907 should be modified to permit of India being fully represented at all future Imperial Conferences and that the necessary steps should be taken to secure the assent of the various Governments in order that the next Imperial Conference may be summoned and constituted accordingly.

Government of India anxious for immediate publication in view of good effect which resolution will produce and conference which was consulted sees no objection. Publication is being arranged here and in India for morning papers Monday April 23rd.

LONG

479. *Minister of Finance to Prime Minister*

TELEGRAM Ottawa, April 23, 1917

SECRET. Referring your cable regarding migration of Indians, Council is of opinion that we should not concur in any resolution altering the existing situation respecting immigration. We should be in a position to control all

[1] Resolution I, constituting Great Britain and the "self-governing Dominions" as the members of the Imperial Conference.

immigration at any time and consequently we do not think any reciprocity agreement advisable. We should not agree to allow certain number of Indians to settle annually in Dominion. View of Council strongly against any change.[1]

WHITE

480. *Prime Minister to Acting Prime Minister*

TELEGRAM London, April 23, 1917

SECRET. [For] Foster. Arriving in London on the afternoon of February 22nd, I was immediately called into consultation with the British Government respecting important matters including certain questions connected with the submarine campaign and from that day to the present my colleagues and I have been most actively and insistently engaged in the duties for which we crossed the Atlantic. On account of the delay in arrival of the representatives from the other Dominions, we did not begin the formal meetings of the War Conference as soon as anticipated but in the meantime we attended the War Cabinet, took up important questions with various departments of the British Government and visited the troops in France and at Shorncliffe, as well as many hospitals. Matters of importance in connection with the Canadian Expeditionary Force were also necessarily discussed with Sir George Perley during this period which was also utilized in examining at the offices of the War Cabinet documents and reports connected with the subjects which were to come under consideration. I have visited all the important camps in England except that at Hastings which I hope to see before my return and everywhere I found the troops in excellent physical condition undergoing efficient training and in fine spirit. The great achievement of Canadians in capturing Vimy Ridge which had been unsuccessfully attacked on several occasions has aroused a universal tribute of admiration not only in the United Kingdom but in France and Italy. The conditions in all hospitals which I visited were excellent and I have not heard a single complaint from any of the wounded or convalescent. The deliberations of the Imperial War Cabinet are of course secret but I may say that we have had continually under consideration matters of vital importance touching the prosecution of the war, the co-operation of the allied nations therein, the effect necessary to achieve victory, the terms upon which peace may be made and exceedingly important questions as to reconstruction after the war including the conservation, development and utilization of the natural resources of the Empire and the safeguards to be adopted against the economic war which Germany intends to wage after the cessation of hostilities. Questions which have arisen with neutral nations by reason of the submarine campaign and otherwise additional precautions

[1] Resolution XXII, accepting the principle of reciprocity of treatment in respect of the position of Indians in the self-governing Dominions, was adopted by the Conference on April 27th, 1917. It recommended the memorandum of the India Office, dated March 22, 1917 and discussed on pages 323-25, to the consideration of the governments concerned.

rendered necessary by submarine activities, the provision of tonnage by construction and purchase and necessary restrictions of imports to provide for requisite food supply of the United Kingdom and allied nations have also been under discussion. In fact almost every question connected with the prosecution of the war has been brought under consideration at one or other of the various meetings and we have been placed in possession of the confidential and secret reports of the Imperial General Staff and of the Commanders-in-Chief in the various theatres of operations as well as the naval advisers of the Admiralty. Latterly, important questions have been assigned to sub-committees of the Cabinet on each of which Canada is represented. The consideration of these questions involves the examination of an enormous mass of reports and documents as they are often of a complex difficult character and thus have been studied by departmental committees in whose reports much important and valuable information is to be found. Military and naval reports from various theatres of operations and telegrams to the Foreign Office from all parts of the world as to matters of international concern run into hundreds each day. These are all collected in the office of the War Cabinet. Besides the work of the Imperial War Cabinet the Canadian Ministers have been in attendance in the Imperial War Conference which meets on alternate days and which has under consideration questions of the highest importance touching the relations and co-operation of the Mother Country and the various Dominions in the prosecution of the war and during the period of reconstruction. Among such questions are the constitutional development of the Empire, the arrangement for common defence, co-operation in facilities of transportation and communication, suitable arrangements for care of the graves of those who have fallen in the Empire's defence, co-operation as to necessary restriction of export to enemy countries, conservation and utilization of natural resources for national purposes, new considerations with regard to naturalization, migration within the Empire and numerous other matters of common concern. I have had very important duties both in the Imperial War Cabinet and its sub-committees and in the Imperial War Conference and besides I have been frequently called into consultation with the heads of important departments with regard to Canadian interests and the ability of Canada to aid in important respects. Provision of tonnage, shipbuilding, restriction of imports, food supply, transportation, munitions, military equipment and other questions have thus been taken up. I have been obliged to decline numerous invitations to speak in different parts of the United Kingdom and only two such visits have been arranged, one at Edinburgh last week and one at Manchester on Saturday last. At the personal invitation of the American Ambassador I attended the service at St. Paul's on Friday to commemorate the entrance of the United States into the war. Besides the other duties I have also had an enormous volume of correspondence and very numerous interviews with callers upon many matters connected with the war and especially with regard to the Canadian Expeditionary Force. I am at present very closely engaged upon a sub-committee of the War Cabinet on a most

vital question affecting the war. Mr. Hazen has had many important consultations with Sir John Jellicoe [1] and his officers respecting the defence of Canadian shipping and Canadian trade during the coming season. These measures are regarded by the Admiralty as effective for securing the greatest possible degree of safety. Upon Hazen's representations Naval Officers of experience have been sent to Canada and are now co-operating with officials of the Naval Department for this purpose. He has also given much attention to proposals for building ships in Canada and for obtaining necessary tonnage to transport Canadian products. As a result of his conferences with the shipping controller and other members of the British Government it is expected that all shipyards in Canada will be employed to their limit and that existing plants will be enlarged and new ones established. He is also serving on the Committee dealing with the important subject of tonnage restriction and on a very important sub-committee of the Imperial War Cabinet. The embargo on canned salmon and lobsters was also taken up by Hazen in conjunction with the Colonial Secretary with the Board of Trade and considerable modification of the proposed regulations was thus obtained. We also took up with the Board of Trade the embargo on apples and obtained valuable concessions with regard to the shipments of last season's crop. The Colonial Secretary gave invaluable assistance in all these matters. Mr. Rogers has taken up with Sir Edward Carson [2] and the officers of the Admiralty the construction of dry docks and he has conferred with the Chancellor of the Exchequer on the same subject with good results. He has given active attention to the removal of the embargo against our cattle and he has had many conferences with the British Wheat Commission in reference to purchases of Canadian wheat, keeping a watchful eye on all Canadian interests. Mr. Rogers is a member of the Land Settlement Committee and he has taken a special and direct interest in this work which has occupied much of his time. A memorandum prepared by him and setting forth the opportunities in Canada for discharged soldiers was laid before the Conference at its opening session.

BORDEN

481. *Colonial Secretary to Governor General*

London, May 7, 1917

TELEGRAM

I made following statement in the House to-day in reply to enquiry whether question of Imperial preference had been taken out of hands of Conference by War Cabinet:

> I presume that my honourable friend refers to a suggestion which I noticed in a morning paper of the 4th instant to the effect that the Conference was not wholly satisfied with the treatment of this question inasmuch as it had been taken out of its hands by the Imperial War Cabinet. Such an impression would be

[1] Commander-in-Chief of the Grand Fleet, 1914-16; First Sea Lord, 1916-17.

[2] Attorney-General, 1915-16; First Lord of the Admiralty, 1916-17; member of the War Cabinet, 1917.

wholly incorrect. The papers which I hope to lay on the table very shortly will show the facts. The matter was debated in the Imperial War Cabinet and so far from there being any dissatisfaction amongst the representatives of the Dominions the resolution[1] met with their hearty support. It was moved in the Conference by the Prime Minister of New Zealand and was carried unanimously and the members of the Conference desired it put on record that the reason why they did not speak at length on the resolution was that the question had already been the subject of full debate in the Cabinet. I may add that any suggestion that the Imperial War Cabinet could take any matter out of hands of Conference shows an imperfect appreciation of the powers of the Conference and would be warmly resented by the Dominions.

Make any use of this that you like.

LONG

482. *Prime Minister to High Commissioner in United Kingdom*

TELEGRAM Ottawa, November 1, 1917

SECRET. Northcliffe suggests Canada should be represented at Inter-Allied Conference about to meet in London or Paris. He understands privately that South Africa will be represented by Smuts and suggests that Sir Charles Gordon[2] who is accompanying Northcliffe to London would act if desired. Please wire information and suggestions.

BORDEN

483. *High Commissioner to Prime Minister*

TELEGRAM London, November 2, 1917

CONFIDENTIAL. Regarding suggested Inter-Allied Conference have seen Colonial Secretary who says nothing definite arranged yet but if convened it would be for purposes general co-ordination so that Allies would work more closely and effectively together. Colonial Secretary tells me that if Smuts attended Conference it would be as ordinary member War Cabinet and not as representing South Africa. Long also assures me that Smuts has kept entirely out of any discussions regarding Dominions in War Cabinet. In my opinion there seems no urgent necessity Canada being represented in this Conference but consider Gordon would be most satisfactory representative if Canada had one. Unless you wish definitely ask for representation suggest your best course would be have official cable sent Colonial Secretary asking that you should be advised if Dominions are to be represented so that you may name representative for Canada.

PERLEY

[1] Resolution XXI of the Imperial Conference of 1917, adopted on April 26, dealt with Imperial preference in two categories, trade and migration.

[2] Vice-Chairman of the Imperial Munitions Board, 1915-17.

484. *Governor General to Colonial Secretary*

Ottawa, November 7, 1917

TELEGRAM

With reference to the Inter-Allied Conference which my Ministers understand is shortly to be convened for the purpose of general co-ordination of war efforts, they enquire whether it is contemplated that the Dominions are to be represented in order that they may, in that case, name a representative for Canada.

DEVONSHIRE

485. *Colonial Secretary to Governor General*

London, November 27, 1917

PARAPHRASE OF TELEGRAM

SECRET. Your telegram November 7th. Inter-Allied Conference was originally proposed for October 16th at which principal subject of discussion was to be question of assisting Russia in vigorous prosecution of war. Scope of Conference was described in telegram to British Ambassador at Petrograd from Secretary of State for Foreign Affairs, as follows:

> This Conference is not summoned to consider peace but methods of war, and however important the first subject may be second has most immediate practical interest. The French Government originally invited the Powers to a War Conference and it is only a War Conference that delegate of United States is authorized to attend.

Circumstances both in Italy and Russia have caused postponement and many of the subjects originally intended to be discussed before it will be now more effectively and fully discussed by the new Supreme War Council whose first meeting is to take place at Versailles at end of this week. The British representatives at the Conference will be the Prime Minister and the Secretary of State for Foreign Affairs, and at the Supreme War Council representatives will be the Prime Minister and one other member of the War Cabinet.

The real value of the forthcoming Conference and of similar International Conferences has lain, in the opinion of His Majesty's Government, not in normal meetings at which far too many persons and interests have to be represented to enable deliberations to be (really of ?) great value, but this opportunity they have provided for informal conversations outside formal meetings between the Allied Statesmen of the Great Powers. These informal conversations for which no definite programme is laid down, which are confidential and little noticed by the Press occur of course on many other occasions as well. Establishment of new Supreme War Council for the co-ordination of the military efforts of the Allies will also tend to make such meetings more frequent and regular. In order to enable British delegates on such occasions to speak with greater authority War Cabinet would welcome every opportunity of exchanging views here with any Minister

whom Canadian Government might send for the purpose as representing them. It is further felt by the War Cabinet that the time is rapidly approaching the next Session of the Imperial Cabinet, and the Imperial Conference at which whole war situation can be fully discussed between those responsible for all the Governments of the Empire. War Cabinet further greatly hope that it will be possible for all Prime Ministers to be present in person at next meeting. They would therefore be glad to learn as soon as possible views of your Government as to the most convenient date for them.

LONG

486. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, November 27, 1917

SECRET. My telegram of to-day. His Majesty's Government would of course be glad to welcome to the Cabinet for the benefit of counsel and information any member of your Government who may visit this country but of course we should only invite a Minister duly authorised by your Prime Minister, Kemp and Blondin[1] for example. Would your Prime Minister, if occasion arises, wish them to be invited not of course as members of War Cabinet but for consultation? I should be glad to have your Prime Minister's views on the subject generally.

LONG

487. *High Commissioner to Prime Minister*

My dear Borden, London, December 12, 1917

I see that a cable has been sent to you saying that the War Cabinet would welcome to their meetings a Minister duly authorized by you for purposes of information and counsel. In my opinion this is a suggestion which should be accepted, which would be exceedingly helpful and might lead to important results. To my mind this gives you the opportunity of taking an easy step towards more satisfactory Imperial relations which would be a natural sequence of the meetings of the Imperial War Cabinet. Those meetings were found necessary owing to the stress and trials of war and this new suggestion is due to the same cause. Only for that we might have gone on for a generation without such an important development, and now I hope we can so handle the situation that this arrangement may become permanent. You know how I have urged several times that the High Commissioner should be a Cabinet Minister and I have done this because my experience has shown me that it would strengthen the position of the Dominions in this country if

[1] Pierre E. Blondin, Postmaster General, 1917-20.

each of them always had a Member of the Government over here. The best way to bring this about would be to change the status of the High Commissioner for this purpose. It would never do in ordinary times to have a Minister here regularly (I do not of course refer to occasional visits) and a High Commissioner as well. The Minister would be occupied with the same matters that the High Commissioner is now dealing with, which would gradually do away with the usefulness of this Office. This would be especially so if the Minister is to attend Imperial Cabinet meetings here as now suggested. Such an arrangement would naturally bring him into close touch with the heads of Departments here, give him information and facilities which would be of the greatest service to Canada, and enable him to transact our business more promptly and efficiently than is now possible. He should therefore be at the head of the High Commissioner's Office and all other Canadian activities over here in peace time. I do not of course include in that the O.M.F.C. Department. The reason I consider that the Minister should be called High Commissioner is because that name has, during the years, acquired a significance of its own and everyone in London knows it. I think it would be a great mistake to lose that advantage. Otherwise any other name would answer as well but it would be a long time before the general public at all events got used to it, and I believe the intention of Sir John Macdonald and Sir Charles Tupper in establishing the High Commissionership was undoubtedly that the holder of the office should be in effect the Canadian Government's Plenipotentiary in all matters over here. In any case the Minister authorized to attend Imperial Cabinet meetings regularly and the High Commissioner should be one and the same person. In my opinion there is not room for them both and I should be sorry to see any attempt made in that direction.

I believe we should accept the proposed suggestion and do it in the way that will be most likely to make it permanent, as it presents a practical way of having closer Imperial relations without causing any serious criticism or interfering at all with our present powers or independence of action. I have now had a great deal of experience of the situation and procedure here. I think the plan suggested would help us to carry on Canada's business more satisfactorily and it would be a great pleasure to me if this forward step took place during my term of office.

I hesitate to write this as I am now High Commisisoner myself but I hope and feel sure you will understand that has nothing to do with my views and that they would be the same no matter who were here and even if you think someone else is better fitted than I am to fill the position. In any case I felt it my duty to let you know my opinion on this very important matter before you actually settle it and so I cabled you asking you to postpone your decision until McInnes sees you, as he will take this with him.

Faithfully yours,

George H. Perley

488. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, December 22, 1917

SECRET. Your cable twenty seventh November. Prime Minister informs me that it would be very inconvenient and practically impossible to attend War Cabinet until after approaching session, which will probably conclude about middle of May or first June.

489. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, December 22, 1917

SECRET. Your cable twenty seventh November. Prime Minister wishes Kemp to be invited for consultation with War Cabinet on appropriate occasion.

490. *Minister of Overseas Military Forces to Prime Minister*

CONFIDENTIAL

My dear Sir Robert, London, January 3, 1918

I received an invitation yesterday from the Prime Minister, to attend a meeting of the War Cabinet, to be held today at 11.30 a.m.

I was pleased to be able to accept the invitation and have today attended two sessions of the War Cabinet, which has been adjourned, to consider several important subjects, and particularly that of a memorandum respecting peace conditions, which is to be an offset to the German proposals, given out to the Bolsheviks.

This evening's session is postponed until tomorrow at 11.30, and I have been requested to be in attendance.

Mr. Lloyd George, in opening the meeting this morning, whilst explaining that it was not his desire to enter into the question of Canadian politics, yet he felt that he could not refrain from mentioning that both he and his colleagues felt very highly pleased with the result of the recent elections, and that there would have been great regret had the result been the opposite. He also was glad to welcome me to the War Cabinet, in order to be able to get the advantage of any views I might have with respect to the questions which would come under consideration.

I replied that the result of the elections was also very gratifying to yourself and your colleagues, particularly as you were impressed with the fact that defeat would likely have had an unfortunate effect upon the war, and upon public opinion throughout the British Empire and with the Allies.

The Prime Minister was also anxious to know as to the extent to which Canada was prepared to go with reinforcements. I explained that under the Military Service Act passed at the last session of the House, and which was

the principal issue during the election, that provision had been made for calling up 100,000 men; that these men would be available to maintain the Canadian Divisions at the front throughout the present year; that so far as the policy of Canada was concerned, beyond the supplying of the 100,000 men, I was not prepared to express an opinion; that if it was thought desirable that more men than this should be called up, the Military Service Act would require to be amended accordingly.

I also took the liberty of saying that, in my opinion, a great many parts of the country had been combed of man-power to almost the limit, compatible with necessities of agriculture and other important national industries; that I had noticed that there was a feeling prevalent in certain sections in Canada that now the United States had come in, they would be expected to do their fair share, and that perhaps the view might be taken by some Canadians that they should be allowed to go on sending men to the front until they had approached the limits to which Canadians had gone on a per capita basis.

In addition to the peace questions to which I have already referred, I might also refer to one in respect to which some action is likely to be taken, viz., the question of taking power from Parliament to license the shipment of supplies of raw material, having reference largely to the conditions which will exist immediately after peace is declared, whereby Britain and her Allies may have apportioned amongst them sufficient to operate a large portion of their industries, whereas, unless some such action is taken, these raw materials would be scattered all over the world and would reach enemy countries to the detriment, inconvenience and loss of the Allies, as there would not be enough to go around.

In this connection the question of favored nations treaties comes up, and the necessity of getting the consent of the Dominions makes the question rather complicated.

I remain etc.

A. E. KEMP

491. *Minister of Immigration and Colonization to Prime Minister*

My dear Sir Robert, Ottawa, January 21, 1918

I am enclosing you herewith, a draft report to Council, together with an explanatory memorandum from the Deputy Minister, with regard to the reciprocity of treatment between India and the self-governing Dominions of the British Empire.

As I am desirous of bringing this matter up in Council, and as it is one which would require very careful consideration, I have deemed it advisable to furnish all the Members of the Council with a copy of this memorandum, so that they may have an opportunity of acquainting themselves with the circumstances of the case before the matter comes up for discussion.

Yours faithfully,

J. A. CALDER

[ENCLOSURE 1]

Memorandum by Deputy Minister of Interior to Minister of Immigration and Colonization

Ottawa, January 15, 1918

The memorandum to Council herewith has been prepared in reply to a despatch from the Secretary of State for the Colonies, dated the 7th August, 1917, on the subject of reciprocity of treatment between India and the self-governing Dominions.

I desire to call your attention to the third recommendation contained in the present memorandum to Council, in which it is suggested that the question of further immigration of East Indians of the labouring class be not dealt with at present but be allowed to remain in abeyance until at least eighteen months after the close of the war. While I fully realise the importance of this matter and that we should not at the present time commit ourselves to a policy which may have unforeseen results, I do not think that the recommendation as at present worded would in any way satisfy the requirements of the situation. It has occurred to me that it would be in the best interests of all concerned if a mutual agreement could be arrived at between this Government and the Government of India, under which we would agree to allow a limited number of East Indians to enter Canada with their families, provided such persons were furnished before leaving India with certificates testifying as to their being loyal British subjects and of good moral character I think that an arrangement of this kind would be satisfactory as we would be certain of receiving here only desirable subjects and it would not leave Canada open to the charge that we were discriminating against the British subjects of another Dominion.

Respectfully submitted,

W. W. Cory

[ENCLOSURE 2]

Memorandum by Minister of Immigration and Colonization to Governor General in Council

Ottawa, November 27, 1917

The undersigned hereby draws attention to a despatch from the Secretary of State for the Colonies, bearing date of August 7, 1917, and to the discussion and resolution of the Imperial War Conference of March and April, 1917, on the subject of reciprocity of treatment between India and the self-governing Dominions.

The memorandum of the India Office, bearing date of March 22, 1917,[1] which was under consideration by the Imperial War Conference, calls attention especially to,

1. The policy of restriction of British East Indian immigration adopted by almost all the self-governing Dominions;

[1] The memorandum is to be found in *The Colonial and Imperial Conferences from 1887 to 1937*, edited by Maurice Ollivier, Vol. II, pp. 262-265.

2. The policy of Canada, which places the East Indian, who is a British subject, in a less advantageous position than Japanese and other Asiatics who do not belong to the Empire;

3. The existing regulations of Canada, which offer almost insuperable obstacles to the entry of wives and families of British East Indians now domiciled in Canada;

4. The difficulties met with by tourists and other non-immigrant classes in establishing their right to free access to Canada, as provided by our law;

5. The existing regulations, which practically constitute an embargo against the entry of immigrants of the labouring classes.

The memorandum also suggests the possibility of an agreement between India and the self-governing Dominions, on the following lines:

1. As regards Indians already permanently settled in the Dominions they should be allowed to bring in wives (subject to the rule of monogamy) and minor children, and in other respects should not be less privileged than Japanese settled immigrants;

2. Future admissions of Indians for labour or settlement should, if possible, be regulated on lines similar to, and not less favourable than, those governing the admission of any other Asiatic race;

3. If this is not possible, there might be reciprocal treatment in India and each Dominion of immigration for purposes of labour or permanent settlement. If a Dominion is determined to exclude these two classes of immigration from India, India should be free to do the same as regards that Dominion. It would be clearly recognized that the exclusion in either case was not motivated by prejudices of race, but was the outcome of different economic conditions;

4. Along with such exclusion reciprocal arrangements would be made for granting full facilities for the admission of tourists, students, and the like, and for business visits entailing temporary residence, so long as this residence was not for labour purposes or for permanent settlement.

It is observed that the Imperial War Conference, after consideration of the memorandum, adopted unanimously a resolution accepting the principle of reciprocity of treatment between India and the self-governing Dominions and recommended the memorandum to the favourable consideration of the Governments concerned.

The principal movement of East Indians to Canada occurred in 1907-08—the total immigration being under seven thousand. Of this number possibly not more than twelve hundred now remain in Canada, there having been a heavy exodus to the United States, in addition to which, quite a number have returned to India. Climatic, industrial and social conditions in Canada have not, on the whole, been found congenial. Disease has made considerable inroads upon East Indians. Their caste system has seriously interfered with their employment in many walks of life. Notwithstanding the fact that only a small proportion of those who originally emigrated to Canada are now resident here, the undersigned submits that certain modifications of the

restrictive provisions of the Immigration Act and Regulations should be made for the relief of such of our fellow-British subjects of the East Indian race as still reside in Canada, and begs to recommend the following:

1. That East Indians legally and permanently settled in Canada and who are shown to be in a position to receive and care for their families, be allowed to bring in wives and minor children, conditional only on such wives and children being found mentally, physically and morally fit.

2. That East Indians belonging to classes designated "non-immigrants" by the Immigration Act, be assured of the same treatment as non-immigrants of other races and allowed entry to Canada without unnecessary delays or difficulties, when coming for some legitimate purpose.

3. That in view of the changing economic conditions in Canada, particularly in the Province of British Columbia, where alone East Indians have settled, and in view, moreover, of the problem which Canada must face at the close of the war in absorbing into self-sustaining occupations discharged returned soldiers and munition workers thrown out of employment, the question of further immigration of East Indians of the labouring class, be not dealt with at present, but be allowed to remain in abeyance until, at least, eighteen months after the close of the war.

4. That this Dominion recognizes the right and freedom of India to impose restrictions against Canada, similar to those we have adopted with regard to India and that the exclusion, in either case, is not governed by prejudices of race, but is the outcome of different social and economic conditions.

The undersigned further calls attention to the suggestion in the memorandum of the India Office in Section Nine thereof, that some of the grievances might be more effectually remedied by having resident in India a representative of each self-governing Dominion, and recommends that if the foregoing recommendations are adopted, this Dominion be represented, directly or indirectly, in India, with the sole object of removing friction and facilitating the movement of such classes or persons as may desire to travel from India to Canada.

Respectfully submitted,

[James Alexander Calder]

492. *Colonial Secretary to Governor General*

Paraphrase of telegram London, February 26, 1918

Secret and confidential. The post-war position of enemy powers in relation to most favoured nation clauses in British commercial treaties has been recently under examination by His Majesty's Government. They have come to the conclusion that it is desirable to make known generally that they will feel bound to take precautions to ensure that these clauses shall not be used to secure commercial advantage to their present enemies.

It is proposed accordingly to forward declaration in the following terms to His Majesty's representatives in allied and neutral countries with instructions to communicate it at convenient opportunity to Governments concerned:

Attention of His Majesty's Government has been drawn during present struggle to the extent to which their present enemies have made use of foreign organisations for purpose of pushing their trade. These organisations claim benefits of foreign nationality while retaining all the elements of enemy control.

To minimize risk of misunderstandings with foreign powers with whom they have commercial treaties, His Majesty's Government think well to explain that in their view commercial treaties are intended to benefit trade (of?) countries which are parties to treaty and must be presumed to have been drafted upon footing that the interests to be protected were *bona fide* national interests of party concerned and not foreign interests.

His Majesty's Government feel bound to take precautions lest during period immediately succeeding the war provisions of commercial treaty of between Great Britain and should be used indirectly for the purpose of securing commercial advantage of their present enemies.

War has put an end to the commercial treaties between Great Britain and enemy powers and when time comes for considering their renewal need for facilitating the commercial recovery both of Great Britain and Her Allies may prevent His Majesty's Government from agreeing to accord to the enemy powers, at any rate during the period of reconstruction, benefit of any most favoured nation clauses.

In the same way they feel bound to declare they cannot regard provisions of treaty with of as enuring to the benefit of any persons who are or have been since the outbreak of hostilities subjects of or citizens of Central Empires, or any undertakings, companies or ships owned or controlled by such persons nor can they regard exports or imports of goods originating in or destined for such enemy countries.

As soon as possible His Majesty's Government would be glad to know whether your Ministers concur in proposed policy and in terms of declaration.

Also under consideration question of intimating to all allied and neutral governments with which treaties are in force, by means of circular despatch, that it has not been possible during war to carry out to the letter all obligations under most favoured nation clauses in our commercial treaties, though we have endeavoured to give equal terms as far as possible to all friendly nations; that similar difficulties will face us during reconstruction and that the most we shall be able to do will be to give the Allies equal though not identical treatment between themselves, and to neutrals nearest approach to equality and identical [garbled] which can be achieved consistently with interests of our own financial and commercial situation, and

that of our Allies. It would be suggested in circular despatches that any country not feeling satisfied has remedy in its own hands, and can denounce treaty, but that we have not taken this alternative step ourselves as we wish to preserve intact as far as possible our commercial relations with all countries.

Similar statement on general policy of His Majesty's Government would be made to neutral countries with which no treaties are in force, and hope would be expressed that application of policy would not disturb existing friendly relations.

Terms of circular despatches now under consideration here. Do your Ministers see any objection to course proposed?

LONG

493. *Order in Council*

P.C. 656 March 19, 1918

The Committee of the Privy Council have had before them a report, dated 14th March, 1918, from the Secretary of State for External Affairs, on a secret telegraphic despatch from the Secretary of State for the Colonies to Your Excellency, dated the 26th February, 1918, respecting the post-war position of enemy powers in relation to British commercial treaties.

The Minister observes that the despatch in question sets forth that, in order to prevent the use by present enemy countries, to the detriment of British trade of foreign organizations which, while claiming benefits of foreign nationality are really controlled by enemy countries, and in order to minimize the risk of misunderstanding with foreign powers having commercial treaties with Great Britain, His Majesty's Government has notified all such countries that it may, in the interests of its own and Allied nations, find it impossible to consider the renewal of commercial most favoured nation treaties with enemy powers, at least during the period of reconstruction; and that it will not regard the provisions of such treaties as enuring to the benefit of any persons who are or have been, since the outbreak of hostilities, subjects of or citizens of Central Empires.

The Minister further observes that the object of the above declaration is plain and obviously in the just interest of Great Britain and her Allies, as enabling them, on the one hand to protect themselves from any indirect and unfair attacks by the Central Nations upon their productive and trade interests during the years of reconstruction, and on the other hand to enable Great Britain and her Allies to institute such economic and fiscal measures as may be mutually helpful without being obliged to grant their advantages to the Central Nations.

His Majesty's Government further states that it is considering the question of intimating to all allied and neutral governments, with which treaties are in force, that it has not been possible during the war to carry out literally

all obligations under the most favoured nation clauses and that similar difficulties will be met during reconstruction and that consequently the most that can be done by His Majesty's Government will be to give their Allies equal, though not identical, treatment between themselves, and to give to neutrals the nearest approach thereto possible, consistent with the interests of the British financial and commercial situation and that of their Allies.

The Minister submits that in the objects above stated the Dominion of Canada has an equal interest with the Mother Country in proportion to its volume of commercial exchanges, and that he sees no objection to the proposed policy and the terms of the declaration and intimation as set forth in the despatch, in which view the Minister of Trade and Commerce concurs.

The Committee concur in the foregoing and, on the recommendation of the Secretary of State for External Affairs, advise that Your Excellency may be pleased to transmit a copy hereof, if approved, to the Secretary of State for the Colonies for the information of His Majesty's Government.

All which is respectfully submitted for approval.

494. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, April 12, 1918

SECRET. My despatch March 17th. Committee referred to . . . has drawn up two reports on the subject of post war control of raw materials which it is proposed by H.M. Government to bring up at forthcoming Imperial War Conference for discussion.

Copies of reports are following by mail, but H.M. Government in order that Canadian Government may have time to consider proposals beforehand consider it advisable to telegraph following summary. Summary begins.

1. It is stated in report that no general scheme of control can be drafted on *a priori* principles but each commodity must be considered separately.

Following are the objects of control:

(*a*) To secure the British Empire and belligerent Allies sufficiency of raw materials.

(*b*) To exert [pressure] on enemy powers so as to induce them to conclude early peace for fear of post-war economic ruin.

(*c*) As result of such pressure to strengthen hands of Empire and Allies in conducting negotiations at peace conference.

Further report points out that some measures of inter-Allied control of raw materials will be essential no doubt but that provision for British Empire requirements should not be delayed while wants of Allies are being ascertained.

It further recommends that machinery should be created first in consultation with Dominions and India and steps should then be taken to consult

with belligerent Allies and particularly with United States as to measure of co-operation. In all bargaining as to raw materials Empire should act as a unit, and this principle the report emphasizes should be maintained.

Second Report:

Provisional lists intended as basis of discussion the Committee set out as follows:

(*a*) Of those raw materials produced in Empire, which *prima facie* it is desirable to control in interests of Allies and Empire, viz:

Cotton	Asbestos	Wool
Jute	Leather	Hides and skins
Oleaginous produce	Rubber	Copper
Lead and its ores	Manganese Ores	Nickel, refined
and Matte Spelter	Zinc concentrates	Tungsten Ores
Mica		

(*b*) Of those raw materials which might be used in bargaining with Allies or enemies for economic or political concessions, viz:

Cotton	Asbestos	Wool
Jute	Tin	Nickel
Steam Coal	Zinc concentrates	Rubber
Oleaginous seeds	Mica	
and nuts		

(*c*) Of those raw materials for supplies of which Empire may be obliged to bargain with Allies and enemies namely:

Copper	Phosphate rock	Timber
Hemp	American cotton	Flax
Dyes and chemicals	Iron Ores	Potash
	Pyrites	

Report suggests that Imperial War Conference should be asked to approve in general terms principle of reserving specific supplies of certain raw materials for the United Kingdom and Allies and also agree to list of raw materials desirable to control for this purpose leaving for subsequent examination detailed methods of control.

After conference has approved principle of control the report anticipates that negotiations will be necessary in respect of each raw material, particularly as regards amounts to be reserved and terms of purchase which in the main Conference could not well be conducted.

It goes on to suggest that it may be necessary for Dominions and India to appoint special delegates to negotiate on their behalf and also outline of machinery which may be needed in United Kingdom for same purposes. Summary ends.

It is hoped by H. M. Government that Canadian representatives at forthcoming Conference will be ready to go into questions raised in these reports in as much detail as possible and ready to discuss not only general principle of control but also individual materials to which scheme should be applied, if principle is approved.

Of course, it would be of assistance if your Government could indicate what scheme of control they would favour with regard to separate materials with which the second report deals together with their probable post war requirements in regard to each article.

It will be remembered by your Government that information regarding post war requirements in regard to tin has already been asked for and supplied.

LONG

495. *Colonial Secretary to High Commissioner*

Downing Street, April 30, 1918

My dear Sir George,

I have carefully considered the suggestion which you made to me the other day as to resuming the practice of sending to you copies of despatches passing between the Secretary of State and the Governor General of Canada. . . .[1]

It was thus made clear that the arrangement was a temporary one, to be in force only so long as a member of the Canadian Government was in charge of the High Commissioner's Office, and it came to an end when you resigned your position as a member of the Dominion Ministry. If it were now revived the matter would be placed on an entirely different footing.

You will, I am sure, understand that there is no personal question involved; but I have to regard the principle as one of general application, involving far-reaching consequences, and as such I am forced to the conclusion that it could not properly be accepted. The Department will of course continue, as in the past, to furnish the High Commissioners with copies of any correspondence which apears to be of interest to them in connection with the duties of their office.

Sincerely yours,

WALTER H. LONG

[1] Here follow references to earlier correspondence, including Document 24 and enclosures.

496. *Prime Minister to Prime Minister of United Kingdom*

CONFIDENTIAL

My dear Prime Minister, London, June 28, 1918

I have discussed with Mr. Hughes and General Smuts the desirability of a change in the method of communication between the Governments of the Dominions and the Home Government. We are agreed that such a change is essential. The character of the change must of course be the subject of careful consideration. I venture to make the following suggestions.

Before doing so I should say that I have had a conference with Mr. Long on the subject who thoroughly understands the necessity for the change, and who also recognizes that the proposal is in no way connected with his tenure of the important position of Secretary of State for the Colonies. His administration of that office has been all that could be desired. I believe I am expressing the opinion of all the Oversea Ministers when I tell you that his fine ability, his devotion to duty, his frankness and straightforwardness, and his wide vision render him a most acceptable occupant of the office of Secretary of State for the Colonies.

The very important advance which was initiated by you in December 1916, has already borne important and valuable fruit. At the moment I see no better method of attaining co-operation between the nations of the Empire or of giving adequate voice to the Oversea Governments.

The idea of nationhood has developed wonderfully of late in my own Dominion; I believe the same is true of all the Dominions. Their Prime Ministers meet with British Ministers on terms of equality around the Council Board. That important advance seems utterly inconsistent with the continuance of a system under which they are, in effect, attached to a Department of the Home Government.

It is thought that in the future the method of communication should be from the Prime Ministers of the Oversea nations to the Prime Minister of the United Kingdom and through him to the Imperial Cabinet.

Mr. Asquith in 1911 held strongly, at the Imperial Conference of that year, that such a proposal was entirely impracticable because it would impose upon the Prime Minister burdens which he could not possibly discharge. This view must be carefully considered. Perhaps some suitable means can be devised for surmounting this difficulty. It might be feasible to provide that the Prime Minister should be *ex officio* Secretary of State for Inter-Imperial Affairs (Dominions) and that there should be a Parliamentary Secretary upon whom all matters of detail and many matters of minor importance might be devolved. But the Prime Minister's functions and duties must be real and not nominal.

If your time should permit a brief discussion on the subject after your return from France I should be very glad if you would permit me to call upon you.

Yours faithfully,

R. L. BORDEN

497. *Assistant Secretary, War Cabinet, to Prime Minister*

London, July 8, 1918

My dear Sir Robert,

I enclose a memorandum on the Future Development of the Cabinet System, which I hope you may be able to find time to read. Some of the points which it discusses may not be so urgent as to require settlement in the immediate future. But there are others which I cannot help thinking ought to be taken in hand without delay. First of all there is the question of securing some sort of continuity of consultation after you and your fellow Prime Ministers have to go back—though I sincerely hope you may find it possible to stay on this side till the military situation in France is stabilised. With regard to that I have put forward a definite suggestion, see pages 3 and 4, which might meet the case.

The other question which ought to be decided now is that of the channels of communication, which I discuss on pages 7-11. The very least that ought to be settled before you leave is that Prime Ministers of the Dominions should, when at home, have the same right of direct communication with the Prime Minister of the United Kingdom and their other colleagues in the Imperial War Cabinet, through the War Cabinet Secretariat, as they have when they are over here. While you are here, if you want to put forward a view on Japanese intervention or any other question affecting the Empire as a whole, all you have to do is to send in a memorandum with your views, or a suggestion that the matter ought to be decided, to Hankey[1] who is then responsible for distributing copies to all the members of the Imperial War Cabinet, including such of them as may be staying down in the country or for the moment over in France. I don't see why exactly the same should not apply when you are in Ottawa, and why you should not be entitled to send a cable from Ottawa to Hankey containing your views on any matter of common Imperial interest either for the Prime Minister himself or for circulation to your colleagues of the Imperial War Cabinet. In the latter case Hankey would presumably retransmit the cable to the other Oversea members of the Imperial War Cabinet. In this way the constitutional status of the Dominion Prime Ministers as permanently in an equal position with the British members of the Imperial War Cabinet would be clearly established, and inter-Imperial consultation by cable would not be left to the mere discretion of the Colonial Office.

Personally I go a great deal farther than this and consider the time has come when all Dominion business should be taken out of the Colonial Office and dealt with by a separate Secretary of State. The reasons for creating such an Imperial Secretary of State, rather than leaving the whole of the work to the Prime Minister, are developed in the memorandum. You may, however, think it not sufficiently a matter of urgency to settle that point on the present occasion, though I don't see why you could not

[1] Sir Maurice P. A. Hankey, United Kingdom, Secretary of the Committee of Imperial Defence, 1912-38; Secretary of the War Cabinet, 1916; Secretary of the Imperial War Cabinet, 1917-18.

impress upon the Prime Minister the desirability of doing so on the next occasion on which the present Government is to any serious extent reconstituted.

The other point which I think it would be desirable to settle this time, at any rate in principle, is the composition of the Conference. It would be a great pity if the Conference dropped out altogether, but it runs a serious danger of doing so unless it is given a broader basis, and is more clearly differentiated from the Imperial Cabinet. Last year the suggestion of enlarging it to something in the nature of a Conference of small parliamentary delegations was still too new to be swallowed by the Colonial Office. Matters have moved since then, however, and possibly it might be a good thing to ventilate the question again at the Imperial War Cabinet, or perhaps, in the first instance, in the Committee of Prime Ministers.

Yours sincerely,

L. S. Amery

[ENCLOSURE]

The Future of the Imperial Cabinet System

FOR PRIVATE CIRCULATION London, June 29, 1918

The Imperial Cabinet system has by now taken sufficiently definite shape to make it possible to describe its main features, and to consider what further developments of it may be necessary in order to enable it to fulfil its functions more efficiently. I have attempted in these notes to suggest both the more immediate changes required with regard to the Imperial Cabinet itself and the consequential modifications which seem indicated with regard to the constitution of the Imperial Conference, the channels of communication between the different Governments of the Empire and the distribution of functions between the different Imperial Departments of State.

THE IMPERIAL CABINET

The Imperial Cabinet is undoubtedly a real Cabinet. While it is in session it directly controls the general policy, military and diplomatic, of the British Empire. At the same time it is, in the main, a Cabinet of executive policy and not a Cabinet of direct execution or administration. Except in so far as such instruments of common Imperial policy as the Foreign Office or Imperial General Staff may now be said to be directly under the Imperial War Cabinet, the actual carrying out of the policy decided upon remains vested in the several Governments which are represented upon it. Similarly it has no collective responsibility to a single representative body, but a distributed responsibility to a number of Parliaments. It is from this point of view a Cabinet of Governments, as Sir R. Borden has called it, as well as a Cabinet of Imperial statesmen.

We may then define the Imperial Cabinet or Imperial War Cabinet as a Cabinet of executive policy based on consultation between Governments themselves autonomous and equal in status. To be effective this consultation must fulfil three conditions. It must be personal and intimate. It must be responsible. It must be continuous. The first condition is fulfilled by the fact that consultation takes place in a Cabinet of moderate dimensions. The smaller the Cabinet can be kept the more intimate the interchange of ideas. The second is fulfilled by the representation in the Cabinet of each Government of the Empire by its Prime Minister or by a Cabinet colleague in whom his Prime Minister reposes complete confidence. A corollary of this is that, under normal conditions, no Dominion member of the Imperial Cabinet should stay away from his Dominion so long as to lose personal touch with his Prime Minister and colleagues at home.

The third condition has hitherto not been fulfilled. The Imperial War Cabinet was in session last year for six weeks ending early in May. During that time it came to certain conclusions both as to the conduct of the war and as to the general aims of our policy. Scarcely had the Oversea members left England when the foundations upon which those conclusions rested were entirely transformed. The failure of General Nivelle's offensive and the subsequent complete change in French military policy, followed shortly afterwards by the abortive Russian offensive and the collapse of the Russian Army in Galicia, altered the whole military situation. The British Government was confronted with the very difficult responsibility of sanctioning, and afterwards continuing to sanction, the offensive in Flanders. It had to shoulder that responsibility alone. Consultation by cable on decisions of that character is practically impossible and was rightly not attempted. The conduct of that offensive has been the subject of some very searching inquiries since the Imperial War Cabinet has reassembled. But it would obviously have been more satisfactory for the British Government, as well as for the Dominions, if the Imperial War Cabinet had been in session when the decisions were taken. In the same way decisions of the greatest moment had to be taken repeatedly, without consultation with the Dominions, on issues of foreign policy which might have affected the whole character of the ultimate settlement. In this respect, the course of the next few months is likely to be even more incalculable than that of 1917, and may at any moment call for decisions upon which the whole future of the war and of the British Commonwealth may depend. Under such conditions it is difficult to see what useful purpose, other than that of giving the Oversea Ministers a transient glimpse of the war at close quarters, is served by the institution of an Imperial War Cabinet unless it can sit more or less continuously. The practical conclusion from this is that the Prime Ministers now assembled should, if they possibly can, stay on, at any rate till the military position in France is stabilised. And when they have to go back they should not do so without appointing some colleague with full powers, so that at no moment

should it be possible for a sudden crisis, military or political, to take the Empire unawares, and compel the British Government alone to take responsibilities which should only be taken by the Empire as a whole.

The permanent presence in London of the Dominion Representatives might, indeed, raise certain difficulties of a purely practical character at this moment. It might not be easy to arrange for a regular continuance of the practice by which the Imperial Cabinet sits on two or three days a week, alternating with the British War Cabinet, matters of Imperial interest being as far as possible kept for those days. On the other hand, if the Meetings are to be less frequent and only summoned when some special point appears to affect Dominion interests, the Dominion Representatives might find themselves with not enough to do, and might easily lose touch. One alternative would be for them to attend every Cabinet Meeting, and, in fact, to merge the War Cabinet in the Imperial War Cabinet. This would, however, sacrifice the character of the present War Cabinet as essentially a small body, and would also compel the Dominion Representatives to enter into a great deal of matter of purely local concern to the United Kingdom. A more satisfactory solution probably would be to set up, under the Chairmanship of a member of the British War Cabinet, a Standing Committee on Imperial Affairs which should include the Dominion Representatives as well as the Secretaries of State for Foreign Affairs, the Colonies, and India. This Committee should meet regularly two or three times a week apart from the British War Cabinet, but should arrange for meetings with the British War Cabinet, in other words, for meetings of the full Imperial War Cabinet, as often as may be desirable. In the interval it would be closely following the conduct of the war from the Imperial point of view. Its members would also be available to serve on the many Committees which are continually set up to deal with such questions, for instance, as restriction of imports, economic defence, etc., which affect Dominion interests. These Committees would, in fact, thus become Imperial War Cabinet Committees. In this way the Dominion members of the Imperial War Cabinet would be kept in close touch with the conduct of the war, and enabled to "pull their weight", without making it an essential condition of their useful presence that the full Imperial War Cabinet should meet on a fixed number of days every week.

As regards the constitution of the Imperial Cabinet the present inclusion of the British War Cabinet *en bloc* in the Imperial War Cabinet corresponds, perhaps, most conveniently to the needs of the moment. From the point of view of the future, however, it is clear, and was emphasised in the discussion on the subject last year (Imperial War Cabinet 14), that a more definite separation will have to be made between the Imperial Cabinet and the British Home Cabinet. The former is to consist, so it was decided, of the Prime Ministers of the self-governing parts of the Empire, of a representative of India, and of certain Imperial Ministers of State. Who these latter were to be was not definitely decided. In deciding it our criteria

naturally are the functions and characteristics of the Imperial Cabinet as a body concerned with the common policy of the Empire and not with administration, even on matters affecting the common interest, where that administration is already vested in the several autonomous governments. The great Imperial Departments of State—Foreign Office, Colonial Office, India Office—would obviously be represented on the Imperial War Cabinet. They are in the main policy departments (the actual administration being carried out locally) and deal with matters of common interest to the whole Empire rather than of special interest to the United Kingdom. The expenditure upon them which falls upon United Kingdom taxation is relatively trifling, and a matter which could be adjusted without great difficulty. On the other hand the Admiralty and British War Office are not, on their administrative side, Imperial bodies. Their revenues are derived from the United Kingdom, their authority is exercised over citizens of the United Kingdom, and they are responsible to the Parliament of the United Kingdom. In all these respects they are, for all their predominant importance in the matter of Imperial defence, constitutionally on the same footing as the naval and military administrations in the several Dominions. What are Imperial, however, and could be made more definitely Imperial by a clearer separation from the administrative Departments, are the great strategic or policy branches of these departments. These are the First Sea Lord's Department (which, in fact, under the proposals for co-ordination now put forward by the Admiralty would be the nucleus of the new Imperial Admiralty), the Imperial General Staff, and presumably an Imperial Air Staff. It is therefore suggested that the heads of these strategic departments should be, if not members, at any rate in regular formal attendance at future meetings of the Imperial Cabinet, as they now are in attendance at meetings of the Imperial War Cabinet. It would be a still further step in advance if these three strategic departments were co-ordinated under a single Imperial Minister of Defence, who would be concerned, not with the administration of any of the forces of any portion of the Empire, but with the general policy of Imperial defence as affected by changes in our external relations and by scientific and mechanical developments in the art of warfare. In the same way, while the United Kingdom Exchequer and Board of Trade are obviously non-Imperial departments, it is possible that in the future development of the Imperial Cabinet system there may be room for an Imperial Minister of Finance, dealing not with taxation but with problems of financial co-operation, the raising of loans, the regulating of exchanges, etc., and for an Imperial Minister of Trade and Communications concerned with the study of problems of common economic development and the suggestion of schemes of policy to be carried out by the co-operation of the several governments. Their departments would be not administrative in character, but rather Imperial Financial and Economic General Staffs.

It is, however, possible that an Imperial Finance Minister might also eventually become responsible, in a small measure, for a common Imperial budget to cover the expenditure of the Imperial Departments of State. These

are at present paid for by the United Kingdom alone. The principle of equality of status and responsibility would really postulate that the cost of such an office as the Foreign Office and of its various agencies abroad should be covered by joint contributions, much in the same way as the cost of the Pacific Cable Board was provided for by the Governments interested. Or, simpler still, it might be possible to allot to the Imperial Treasury, some items of revenue, not involving the imposition of taxation on any part of the Empire, as for instance the Suez Canal shares, or the revenues of an Imperial cable or wireless service.

CHANNELS OF COMMUNICATION

The development of the Imperial Cabinet system inevitably raises directly the question of the channels of communication between the Dominion Governments and the Government of the United Kingdom and of the departmental machinery for the transaction of Imperial and inter-Imperial business. The existing method is one which preserves the outward forms of a state of affairs which has long since passed away. Dominion statesmen have suggested that something of the spirit as well as the form of those obsolete conditions still survives. In any case, they feel that the routine of communication from and to Colonial Office via the Governor, which is properly applicable to Colonial administrations which are actually under the Colonial Office, and which are really governed by a Governor subject to Colonial Office instructions, is hardly compatible with their present status as partner nations in the Empire. This feeling is accentuated by a not unnatural resentment at the idea that the Dominions should be grouped under the same Imperial machinery of state which looks after Crown Colonies and backward populations of all sorts of races, and should be dealt with by the same set of officials.

The question was directly raised at the Imperial Conference of 1907 by Mr. Deakin, and again in 1911 by General Botha. In each case the suggestion put forward by the Dominions was that their affairs should be taken out of the Colonial Office, and dealt with through a Secretariat under the Prime Minister of the United Kingdom in his capacity as President of the Imperial Conference. On both occasions the suggestion was rejected by the British Government on the ground that the Prime Minister could not possibly find the time, among his many duties, to attend to the work. Since then the situation has been modified by two facts. The first is the creation of the Imperial Cabinet. While Dominion statesmen are in London and meeting British statesmen in Cabinet the machinery of Colonial Office communication is automatically scrapped as regards all the most important issues affecting their national life. That after a few weeks of this intercourse on the footing of partnership and equality they should go back to the old departmental routine makes the latter more irksome than ever. The second fact is the development of the War Cabinet Secretariat, which has also become the Imperial Cabinet Secretariat. There is now in existence an office in

which the Dominion Ministers have rooms for themselves and their personal staffs, as well as the use of the services of the Secretariat staff generally. While in London they can avail themselves of this staff for the purposes of getting information from the British Government Departments or circulating their views to their British or Oversea colleagues, and, in fact, use it as their channel of communication for all purposes within the purview of the Imperial War Cabinet. If one of them happened to be in the country, or even visiting the front in France or Italy, he would presumably still communicate with his colleagues through the same channel. The moment he gets back to his own Dominion he is cut off from this direct method of communication with his colleagues, and has to revert to the old system of communication through the Colonial Office. This is absurd, and whether Dominion affairs generally are taken out of the Colonial Office or not, it ought to be clearly established from now onwards that, on Imperial War Cabinet business, members of the Imperial War Cabinet, whether in London or oversea, should be entitled to communicate with their colleagues through their own common office. If the Imperial War Cabinet remained in continuous session for the rest of the war, as has been suggested, the Prime Ministers leaving one of their colleagues in each case to continue to represent them, that would happen automatically.

As regards the wider question of taking all Dominion business out of the Colonial Office it is necessary to consider first of all of what that business consists. Communications between the Governments of the Empire deal with three classes of subjects: (a) the conduct of the common affairs of the Empire; (b) the conduct of such inter-Imperial business as is not included in the common affairs of the Empire but can be carried on by joint co-operation e.g. migration, control of raw materials etc; (c) the conduct of current business of all kinds between a particular Dominion Government and the British Government. Of these only the first class of subjects is normally dealt with by the Imperial Cabinet. The second forms the staple of discussion at Imperial Conferences and is left in the interval to the Colonial Office or to inter-Imperial Committees under the Colonial Office. The third forms the bulk of the current business of the Colonial Office.

The suggestion that all these classes of subjects should be dealt with by the Prime Minister of the United Kingdom through the Imperial Cabinet Secretariat, is obviously open to the objection hitherto sustained by the British Government that the amount of work and attention involved is too much to be added to the already excessively heavy duties of a British Prime Minister. The inclusion, moreover, of all these matters in the work of the Imperial Cabinet Secretariat would involve a very considerable increase in its establishment. In one particular, too, namely as regards the third class of subjects referred to, it could not take on the task of dealing with the conduct of the specific business of the United Kingdom with a particular Dominion, without becoming a United Kingdom department, and losing something of its character as the common clearing house for Imperial

business. In fact, if all these matters were transferred to the Prime Minister, he would have to have a separate small department for the current business of the United Kingdom with the Dominions distinct from the Imperial Cabinet Secretariat, even if the latter could deal with inter-Imperial as well as with common Imperial business.

It is conceivable that the Prime Minister might be able to cope with the additional work, for the time being, with the help of a Political Under-Secretary for Imperial Affairs. But the best solution of the difficulty would be to create a separate Imperial Office under a Secretary of State for Imperial Affairs. It is not necessary for this purpose to create a new Secretaryship of State. There already exists in the office of Lord President of the Council an appointment of very high standing, whose duties, at present light, are essentially Imperial in character, in so far as the Privy Council is a body whose members include Dominion as well as British statesmen, and as the Judicial Committee of the Privy Council is the Supreme Appeal Court of the Dominions and India, and could and should be made the Supreme Appeal Court of the whole Empire. The duties of the Imperial Secretary would be: (1) to exercise a general supervision over the office arrangements of the Imperial Cabinet Secretariat, which, however, should still retain its essential characteristics as a secretarial staff equally at the disposal of all members of the Imperial Cabinet; (2) to be responsible for the secretarial work in connection with the meetings of the Imperial Conference and to assist in supervising and co-ordinating all the various inter-Imperial Bureaux and Committees which are likely in future to develop out of the proceedings of the Conference; (3) to carry on current business with the various Dominions on behalf of the United Kingdom.

In more general terms the Imperial Secretary would be the Prime Minister's right hand man for Imperial affairs. In view of the dual position of the Prime Minister as head of two Cabinets, the Imperial and the British, it seems essential that he should have as it were a Chief of Staff for each aspect, the Imperial Secretary for Imperial Affairs, and the Leader of the House of Commons, Chancellor of the Exchequer or Home Secretary, as the case might be, for Home affairs. This duality, necessitated at the centre by the volume of work, is equally necessitated in the Dominions by considerations of geography. Prime Ministers cannot be in continuous session in London, and, if the Imperial Cabinet is to sit continuously or even for a considerable part of the year, will have to be represented by their colleagues. Not improbably efficiency and convenience will indicate that a particular colleague should be specifically and regularly assigned to this work, and closely associated with the Department which in each Dominion deals with Imperial affairs, so that he should be in charge of the Department when the Prime Minister is at the Imperial Cabinet and vice versa. In the Dominions, as in the United Kingdom, this may involve some rearrangement of existing offices, but the practical advantages of having a parallel organisation for Imperial affairs in each part of the Empire are well worth any possible inconvenience involved in the change.

The actual channel of communication under such a system would be two-fold. Apart from Imperial Cabinet business, with regard to which the Dominion representatives would deal directly through the Imperial Cabinet Secretariat, all other inter-Imperial business would be conducted either by discussion between the Imperial Secretary and the Dominion representatives in London, or by direct cable or despatch between the Imperial Secretary and the Dominion Governments. Practical convenience would probably determine which channel of communication would be most used for different purposes. Ultimately the logic of equality of status between the Dominions and the United Kingdom will probably demand that direct communications between the Imperial Secretary and the Dominion Governments should no longer go through the Governor as the official subordinate of a British department, though he should still, in his capacity as representative of the Crown, receive copies of all communications which pass. The appointments to the position of Governor or Governor General of a Dominion will probably also, in future, cease to be regarded as a departmental matter for any British office, and become Imperial Cabinet appointments.

RE-ARRANGEMENT OF IMPERIAL ADMINISTRATION

The separation from the Colonial Office of the growing volume of Imperial and inter-Imperial business in which the Dominions are concerned, is however, only part of a general rearrangement of Imperial administration which will be forced upon us as the outcome of the present war.

In the Middle East, for instance, we are likely to find ourselves responsible for the general control of a vast area the conditions of which are essentially different from those either of the Dominions, of India or of the Crown Colonies. In Egypt, Palestine, Arabia, Mesopotamia, Persia, we shall be dealing with communities unable to stand alone, yet on too advanced a plane of national sentiment to be dealt with as Crown Colonies, and too scattered and different to be dealt with as a single Imperial administration like that of India. The natural solution is the building up of a system of autonomous states and communities, subject to a certain measure of guidance and instruction as regards their internal affairs, and held together and safeguarded by Imperial control of the main lines of communication and of the main channels and ports of entry such as the Suez Canal and Shatt-el-Arab, Kantara, Haifa and Basra. The administrative and political problems of this whole region will be far too large to leave them to the Foreign Office, which ought, indeed, to be relieved as soon as possible from the duty of supervising the administration of Egypt. They are, on the other hand, essentially different from those which either the Colonial Office or the India Office have dealt with. The natural solution is the creation of a new Middle Eastern Department covering the whole area between the spheres of India on the East and Tropical Africa to the South.

As regards the India Office the main problem before it lies in seeing through the gradual transformation from the present system of government in India to one based on self-government without damage to the Imperial interests for which it is responsible. In this connection it is desirable to draw a clear definition between India proper, the area within which Indian self-government is to be ultimately conceded and meanwhile prepared for, and the sphere of India Office responsibility. It would only hamper the problem of Indian self-government if it were mixed up with questions of the control of the North-West Frontier—which is really a part of Central Asia—of Afghanistan and Tibet. Neither, for that matter, is Burma sufficiently akin to India in any respect to be included in the same scheme of self-government. If this distinction between an inner India, or Hindustan, and an outer India or India Office administrative sphere is once clearly established, there is much to be said, from the point of view of defence, communications and economic development, for including in the wider India and under the India Office, certain British possessions in the neighbourhood of India which are at present under the Colonial Office. The enlarged India Office sphere might then include, besides India proper, the Frontier Province, Afghanistan, Tibet, Burma, the Malay States and Singapore, British North Borneo, Ceylon and the Seychelles, possibly even Mauritius and Hongkong.

The main task with which the Colonial Office will be confronted after the war will be the development of a great African Empire. This Empire will consist of two main blocks, an Eastern and a Western. The Eastern, assuming that the Egyptian Sudan, or at any rate the southern half of it, is detached from Egypt with which it has no real connection from the point of view of racial and administrative problems, and that Southern Rhodesia ultimately joins the South African Union, will extend from Fashoda in the north to the Zambesi in the south. The characteristic feature of this block is the existence throughout most of it of areas of high ground where a small white population can be settled and take an effective part in the development of the country and to some extent in the administration. The Western block, at present more highly developed and populous, consists of Nigeria. Together with the smaller African Colonies these two great territories constitute an Empire of immense economic resources, and a wonderful field for the progressive development of human civilisation. The creation of an African Civil Service adequate to dealing with all the problems of African government and development would, in itself, be enough to occupy the whole attention of a great Department of State. If, in fact, the sphere of the India Office were enlarged as indicated above, and if, as has often been suggested, Canada took over the responsibility for the administration of the West Indies and Australia and New Zealand for the adjacent Pacific Islands, the Colonial Office would to all intents and purposes become purely and solely an African Office and be able to concentrate its whole energies on a single immense task.

THE IMPERIAL CONFERENCE

The development of the Imperial Cabinet system is calculated to endanger seriously the authority and importance of the Imperial Conference as at present constituted. With two bodies of almost identical composition meeting simultaneously, the one which enjoys the advantages of unfettered intimate discussion and the power of executive decision must inevitably tend to displace a body which enjoys neither the secrecy of a Cabinet nor the effective publicity of a Parliament, and which can get no further than passing general resolutions. The criterion that the one body should concentrate on such matters of common concern as the conduct of foreign and military affairs, and the other on inter-Imperial relations cannot be maintained in practice, for the simple reason that as soon as a subject is felt to be of first rate importance or to involve difficult issues of principle the obvious solution is to discuss it in Cabinet first, and to arrive, if possible, at an agreement there before remitting it to the Conference. This is what happened last year in the case of Imperial Preference, when the subject matter of a whole series of most important debates extending over 30 years of the existence of the Conference was entirely settled in Cabinet, and the Conference was left to pass, as a mere form, for the sake of public record, a resolution whose actual wording had already been agreed upon in the more effective assembly.

It would be a great pity if the Imperial Conference lost the position it has acquired in a generation of constitutional development. It is the recognised formal organ of Imperial Unity, and its resolutions have been important milestones on the road of Imperial development. Its formal deliberations and registered conclusions will be essential to any future constitutional changes in our Imperial system. What is needed to secure this and to give the Conference new life is a clearer differentiation from the Imperial Cabinet both in its composition and in its methods. Its assent to Cabinet decisions, unless it is to be a mere formality, must be on a wider basis and have a more representative authority. This widening of the basis will become necessary in any case if, after the war, the Conference is to consider the question of our Imperial constitutional arrangements. On such a matter decisions can hardly be reached by the Executives without the concurrence of the Oppositions in the various Parliaments. On the other hand no one, at this stage, claims that the constitutional question has reached a point at which the summoning of an Imperial Convention, to discuss a new constitution, is a practical proposition. The natural inference is that, whether in order to enable it to discuss such broad issues as the Imperial Constitution with more authority, or to differentiate it from the Imperial Cabinet, the Conference should be enlarged and made more representative by the inclusion of members of other parties besides the Government of the day. In other words the Conference should be transformed from a Conference of Governments to a Conference of Parliaments, represented in each case by small delegations.

The composition of these delegations could either be arranged informally, like the composition of Parliamentary Committees, or be decided more formally and democratically by a parliamentary selection by proportional representation. In neither case are the exact numbers a matter of the first importance, as the Conference votes by countries and not by individuals, though naturally the greater diversity of interests and opinions in the larger units would justify a more numerous delegation. Canada would want to have representatives of each party from both East and West. The United Kingdom might want to have, not only its chief parties, but also its constituent units represented. Subject to this the Conference should still remain a small body, possibly of 50 to 60, anyhow of less than 100 members.

The necessary change in method is that the deliberations of the Conference, or some of them at any rate, should become public. At present there is no assembly where statements on great Imperial issues can be made publicly in an Imperial setting and discussed together by representatives of Imperial opinion. The Imperial Cabinet system requires as its complement something in the nature of a sounding-board; some arena in which its policy could be openly expounded and discussed, and so reach the Press and public of the Empire. An ordinary Cabinet, moreover, enjoys an immense advantage in being able to feel its way and strengthen its hand, as it goes along, by contact with its Parliament. It can judge what proposals have a reasonable chance of acceptance. It can modify its policy in deference to parliamentary criticism, or it can educate Parliament and the public to what it considers essential measures. The Imperial Cabinet has no such means of testing and educating opinion short of going back to the several Parliaments, which involves almost insuperable delays. The Imperial Conference, expanded into a Conference of Parliaments, would exactly fill this need. It would not be a Parliament itself with power to legislate or tax, or to make and unmake Ministers. But it would be a deliberative assembly in which the Imperial Cabinet could unfold its views and decisions, where those views and decisions could be criticised or defended in an Imperial, as distinct from a local atmosphere, and where formal resolutions could be passed, which would give the various Executives of the Empire moral authority for their action, or provide the various Parliaments with the groundwork for legislation on Imperial questions.

CONCLUSION

The effect of the various changes suggested in these notes would, it is submitted, be to build up, on the lines of development indicated by the creation of the Imperial War Cabinet, a system of Imperial government which, without raising any of the difficult constitutional problems involved in the most limited scheme of Imperial Federation, might enable the common affairs of the Empire to be efficiently carried on, and give each part of the Empire an effective voice in the control of those common affairs. It is not suggested that such a system would prove sufficient for all time, or

that it would not, in the process of working raise problems which could only be surmounted by far-reaching constitutional changes. Only experience can show that. Meanwhile the most reasonable and most obvious procedure is to develop the instrument we have to our hand.

L. S. AMERY

498. *Extracts from Minutes of Proceedings of the Imperial War Conference, 1918*

IMPERIAL COURT OF APPEAL

. . .

July 17, 1918

Sir ROBERT BORDEN: Now with respect to the whole question of Appeal Courts, I am inclined to think that according to opinion in Canada we really have about enough of them. Perhaps we may have too many of them.

Mr. HUGHES: That is what I am coming at now; you may have too much of them.

Sir ROBERT BORDEN: Yes, you have had some experience of the same kind in Australia, but I think you have come through very well. I hope our courts may be wisely guided along the same lines. However that may be, I think we have just about enough Appeal Courts, and I think the tendency in our country will be to restrict appeals to the Privy Council rather than to increase them. As a matter of fact, I believe the opportunities for appealing from Canadian courts are greater than they are from the courts of other Dominions.

With respect to the status of the Privy Council and its decisions, I think that its decisions command the confidence of the Canadian people and of the Canadian Bar. It is perfectly true that there have been criticisms of them from time to time, but there are also criticisms of the judgments of our own courts. I suppose that is true in all the Dominions. On the whole, however, I have not heard any general or widespread expression of dissatisfaction with the judgments of the Privy Council. Mr. Rowell, who has more recently practised at the Bar than I, will speak with more authority than I could on that subject. I think Mr. Hughes might let the matter rest until we can give the subject more consideration, because as it stands at present, with the little opportunity we have had, I should hardly like to commit myself to his proposal.

. . .

CHANNELS OF COMMUNICATION

July 18, 1918

Mr. HUGHES: If I may be permitted, I will now address myself to the Resolution which I propose to move on the subject of channels of communication,[1] and I will do so very shortly. The principle was established

[1] See pages 346, 356, 357.

before the War that the Imperial Conference is a conference of Governments, of which the Prime Minister of the United Kingdom is *ex-officio* President, as *primus inter pares,* and the Dominion Prime Ministers represent their respective Governments. It is no longer, as it used to be, a Departmental affair of the Colonial Office. But in the intervals between the Conferences, when the Dominion Prime Ministers had returned to their several homes, communications reverted to their traditional channels, through the medium of the Colonial Office, the only recognized medium for the exchange of correspondence between the British Government and the Dominion Governments.

Now, to meet the stress and necessities of war there has emerged the great fact of the Imperial War Cabinet. The Dominions, no longer infant settlements, but grown sister-nations, are taking their full share and their full responsibility in the waging of the war; the Prime Minister of the Mother Country is sitting in Council with the Dominion Prime Ministers, together with the British and Dominion Ministers, first among his peers. In the Imperial War Cabinet, all circumlocutions, all intermediaries, have been swept away, and Government meets Government face to face. It is obvious that these outstanding facts represent a growth, a development of the Imperial relation, to which the old formulas of administration and the old methods of correspondence are no longer applicable, and that new formulas and new methods must be developed to bring the machinery of government into harmony with the realities.

. . . The division of the Colonial Office into Dominion and Crown Colony Branches is good, as far as it goes. But the change must go deeper. Organic recognition must be given to the fact that—apart from Imperial Conferences —Imperial relations have reached a stage at which, in the course of daily administration, the Dominion Governments are conferring, negotiating, and transacting business with the Imperial Government, not inter-departmentally, but inter-governmentally. Just as, in the War Cabinet, each Dominion Government, represented by its Prime Minister, confers with the British Government represented by its Prime Minister, so in the course of administration the head of a Dominion Government should be able to confer directly with the head of the British Government. The fact must be faced that as regards the Dominions, the present method of administration through the Colonial Office, even with the distinction now drawn between the Dominions and Crown Colonies, has, by the unanswerable logic of events, become an anachronism.

. . . In effect, we are a League of Free Nations, every one of which is, notwithstanding theories, sovereign, or quasi-sovereign, in its own sphere, and our relations should be those which those circumstances suggest. The Colonial Office system was developed at a time when the Colonial Office exercised administrative functions. As regards the Dominions, its functions now are merely those of an unnecessary conduit pipe. It is an organ whose functions have become atrophied. . . .

The Governments of the Dominions must, it is clear, be brought into direct relation with the head of the British Government. It is not desired to add anything to the burden which the British Prime Minister already bears. But there should be a reorganisation of the whole Imperial machine, so that Dominion correspondence goes direct, so far as official form is concerned, to the Prime Minister. It would probably be found desirable to appoint an Assistant Minister, or Minister without portfolio, to relieve the Prime Minister of unnecessary personal duties.

It is recognised that there has not been, hitherto, a Prime Minister's Department in the ordinary sense; and that it is not desirable that the Prime Minister should have on his shoulders the routine of departmental duties. But the development of Imperial relations along the present lines calls urgently for some such mode of direct communication as that outlined. . . .

I am going to move a Resolution which, without committing us to the actual machinery, will carry this out. It has been suggested by me, and I think puts the matter in a form of being settled, and that without delay. In the form in which I had given notice of the Resolution, Sir Robert Borden and others have made some alterations, or suggested some alterations, which do not impair the Resolution at all. I am very pleased to indicate what these amendments are, and to say that I shall accept them. The Resolution will read as follows: "That this Conference is of the opinion that the development which has taken place in the relations between the United Kingdom and the Dominions has necessitated such a change in the administrative arrangements and in the channels of communication between their Governments as will bring them more directly in touch with each other."

. . . In the second paragraph, Mr. Burton[1] has suggested—and I see the force of it—adding the word "Imperial," so that the reference will be to the "Imperial War Cabinet," and we now know to what body we are referring. Without more ado I move the Resolution in this form: "(1) That this Conference is of the opinion that the development which has taken place in the relations between the United Kingdom and the Dominions necessitates such a change in administrative arrangements and channels of communication between their Governments as will bring them more directly in touch with each other. (2) That the Imperial War Cabinet be invited to give immediate consideration to the creation of suitable machinery for this purpose."

Sir ROBERT BORDEN: Mr. Chairman, I am very glad to support the Resolution in its present form. I think it embodies an idea which is present to the minds of all of us and in which I know you fully concur and which I have discussed with you and with the Prime Minister of the United Kingdom more than once during the past three weeks. It should be said, of course, that the presentation of this Resolution at the present time is not in any way connected with the tenure of this office by you. We all realise

[1] Henry Burton, Minister of Railways and Harbours of the Union of South Africa, 1912-20.

the great ability, the strong devotion to duty, and the broad vision which you have always brought to bear upon questions which are submitted to you from time to time in the important office which you hold.

Mr. HUGHES: Hear, hear.

Sir ROBERT BORDEN: All that goes without saying, and it is hardly necessary to mention it. At the Conference last year a question was raised as to the relations between the Mother Country and the self-governing Dominions of the Empire, and India as well—a very important portion of the Empire. It was felt at that time that so great a subject ought not to be taken up in the midst of a war, and, accordingly, this Resolution was passed: "The Imperial War Conference are of opinion that the readjustment of the constitutional relations of the component parts of the Empire is too important and intricate a subject to be dealt with during the war, and that it should form the subject of a special Imperial Conference, to be summoned as soon as possible after the cessation of hostilities. They deem it their duty, however, to place on record their view that any such readjustment, while thoroughly preserving all existing powers of self-government and complete control of domestic affairs, should be based upon a full recognition of the Dominions as autonomous nations of an Imperial Commonwealth, and of India as an important portion of the same; should recognise the right of the Dominions and India to an adequate voice in foreign policy and in foreign relations, and should provide effective arrangements for continuous consultation in all important matters of common Imperial concern, and for such necessary concerted action, founded on consultation, as the several Governments may determine." It does not appear to me that the Resolution in the terms proposed by Mr. Hughes departs from the principle which we recognised at that time: it merely provides for a more effective and more appropriate method of communication between the Governments of the Dominions, and of India as well, no doubt, and the Government of the United Kingdom. The initiation of the Imperial War Cabinet by the Prime Minister of the United Kingdom in December 1916, was a very important development, and the proposal which Mr. Hughes has brought forward became quite inevitable from that step in advance. I have ventured to say, both in Canada and here, that the Imperial War Cabinet is really a Cabinet of Governments. Any important executive action must be carried out by the different Governments of the Empire, and must command the approval of the Parliaments of the Empire. But, nevertheless, it is a Cabinet in the true sense of the word, and its creation corresponds to that increasing consciousness of nationhood which is growing up, certainly in Canada, and I believe equally in all the Dominions of the Empire. So far as the status of the Governor General is concerned, while he is an Imperial officer, I venture the assertion that in Canada he regards his relation to the Government of Canada as of precisely the same character as the relation of the King to the Government of the United Kingdom. That has been my experience during the past seven years in which I have held the office of Prime Minister in Canada.

Mr. COOK[1]: That has been ours, too.

Mr. MASSEY: It is the proper position.

Mr. HUGHES: Yes.

Sir ROBERT BORDEN: I am not quite clear as to whether or not the Prime Minister of the United Kingdom can undertake the discharge of the duties which Mr. Hughes has suggested. Of course, Mr. Hughes will be the first to agree with me that it would be most undesirable to have the Prime Minister undertake duties which he could only nominally discharge. If he is to be connected with the Oversea Dominions in this way, it must be a real connection, and not a mere nominal connection. And it was for that reason I suggested to Mr. Hughes and our colleagues generally that the subject, so far as the details are concerned, might very well be taken up and thrashed out in the Imperial War Cabinet. We should have to get his own views, because we could not ask him to undertake burdens which he could not fairly and reasonably and efficiently discharge. With those observations, I am heartily in support of the Resolution which Mr. Hughes has moved, and I shall be very glad to second his motion.

CHAIRMAN: Perhaps I had better read it as altered. This Resolution has been moved by the Prime Minister of Australia, and seconded by the Prime Minister of Canada:—"(1) That this Conference is of the opinion that the development which has taken place in the relations between the United Kingdom and the Dominions necessitates such a change in administrative arrangements and channels of communication between their Governments as will bring them more directly in touch with each other. (2) That the Imperial War Cabinet be invited to give immediate consideration to the creation of suitable machinery for this purpose."

. . .

Mr. ROWELL: I will say a word or two . . . my only reason for doing so is the very great importance of the Resolution now under the consideration of the Conference. Its importance, as has been so fittingly said, lies in the recognition of the equal status of the Dominions with that of the Mother Country. Undoubtedly with us in Canada, and I presume it is equally true of the other Dominions, there has been a great growth of national sentiment and national spirit during the war. That national sentiment and national spirit, however, are not incompatible with the idea of the unity—of the maintenance of the unity—of the Empire. The proposal now under consideration, if given effect to, will be a recognition of that national spirit, and I believe will be accepted as such and appreciated as such. Every recognition we can give of the national spirit of the Dominions, consistent with maintaining the unity of the Commonwealth as a whole, will, I believe, prove a step in the right direction, will give satisfaction to the Dominions, and in the long run will strengthen the ties which bind the Empire together. This war has shown that the largest liberty is compatible with the greatest unity in purpose and in action, and I believe the change, when brought

[1] Joseph Cook, Minister of Defence of Australia, 1909-10; Prime Minister, 1913-14; appointed Minister for the Navy in 1917.

about, will further promote that result. As Sir Robert Borden and Mr. Burton have so well said, it is the logical result of the events of the past few years, and it is probably another step in the natural development of an Imperial constitution which under our very elastic system may be modified from time to time to meet the exigencies of the situation as that situation develops. . . .

The Resolution was then carried unanimously as follows:

"(1) That this Conference is of the opinion that the development which has taken place in the relations between the United Kingdom and the Dominions necessitates such a change in administrative arrangements and in the channels of communication between their Governments as will bring them more directly in touch with each other.

"(2) That the Imperial War Cabinet be invited to give immediate consideration to the creation of suitable machinery for this purpose."

499. *President of the Privy Council to Prime Minister*

CONFIDENTIAL London, July 23, 1918

My dear Sir Robert,

re Channels of Communication

Since the discussion of this matter in the Imperial War Cabinet this morning, I have been thinking of what changes could be immediately made which would improve the situation and, at the same time, not involve the appointment in the meanwhile of a new member of the British Government as Secretary of State for Imperial Affairs as was suggested. It appears to me there are three things that could be done at once.

1. Governors General should cease to be respresentatives of the Colonial Office and should occupy the same relation to their respective Governments as His Majesty does to the Government of the United Kingdom. Hereafter they should be appointed by the Imperial Cabinet.

2. (a) In matters which would be dealt with by the Imperial War Cabinet if it were in session, communication should be between the Prime Ministers, or other appropriate Ministers, in the Dominions and the Prime Minister of Great Britain (and vice versa) through the Imperial War Cabinet Secretariat. (b) In respect of all other matters, communications would be to and from the Colonial Office and the appropriate Dominion Ministers.

3. Each Dominion should be entitled to nominate an assistant Secretary to the Imperial War Cabinet, who, while subject to the instructions and at the disposal of the Secretary of the Imperial War Cabinet, should be specially charged with keeping his Government fully informed of all matters affecting them and of keeping the Secretariat informed on matters affecting his Government.

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It may be that there will be some opposition from the Colonial Office as to No. 1, although I cannot see any good ground for objection. As to Nos. 2 and 3, however, there should be no possible objection.

If we had a Canadian as the Assistant Secretary to the Imperial War Cabinet, he, like the other secretaries, would receive copies of all documents going before the War Cabinet, and on any matters which affect Canada or the conduct of the war, he could not only consult with Sir Edward Kemp, but he could also cable direct to you full information, as well as keeping you informed by mail. In any matters in respect of which Canada communicated with the Prime Minister of Great Britain, he, as a member of the War Cabinet Secretariat, could see that the question was taken up and dealt with.

I discussed these three suggestion[s] with Colonel Amery this evening. He approves of them all and thinks they should be given effect to at the present time.

If we can get these matters through, would not that be a substantial step this year and could we not then safely leave other matters over until we have another year's experience?

Yours faithfully,

N. W. Rowell

P.S. I am simply suggesting the foregoing for your consideration.

NWR

500. *Assistant Secretary, War Cabinet, to President of the Privy Council*

London, July 24, 1918

Dear Mr. Rowell,

I enclose a short Note I have drafted on the basis of our talk of last night, which you might care to show to Sir Robert Borden as giving in condensed form some of the arguments justifying the three main points you laid down last night. I greatly enjoyed our talk.

Yours sincerely,

L. S. Amery

[ENCLOSURE]

Imperial Relations, 1918

London, July 24, 1918

There can be no question at this moment of comprehensive constitutional changes intended to forestall that reconsideration of the constitution of the Empire which, it was decided at last year's Imperial War Conference, is to take place at a special Imperial Conference summoned after the war. It

is equally imperative to carry out without delay those administrative alterations which, while in no way forestalling or prejudging the decisions of that Constitutional Conference, satisfy that demand for equality of status which is postulated by the Dominions as the basis of the future constitution of the Empire, whatever shape it may take, and enable the Dominions meanwhile to have an effective and continuous voice in the conduct of the war and the making of peace.

They already have that voice while the Imperial War Cabinet is in session. What is most essential, then, is to give the Imperial War Cabinet effective continuity. The Dominions have asked for direct communication with the Prime Minister of the United Kingdom for that purpose. There is not the least difficulty in arranging that, and *no new machinery is required.* All that is necessary is that *on Imperial War Cabinet business* correspondence between the Dominion Prime Ministers and their colleagues on the Imperial War Cabinet should go through the Imperial War Cabinet Secretariat—or in cases of personal and confidential communication directly to the British Prime Minister—*exactly as it does now while the Imperial War Cabinet is in session.* There is no fear of overburdening either the Prime Minister or the Secretariat as long as the correspondence is confined to Imperial War Cabinet business i.e. to matters of common concern, and ordinary departmental business between the Dominion Governments and the British Government is carried on through the Colonial Office. Nor is there any real difficulty in drawing a distinction between the two classes of business. *It is done now.* While the Imperial War Cabinet is in session the ordinary current business between the Colonial Office and the Canadian Government is going on as usual, and nobody dreams of throwing at the head of the Prime Minister or of the Imperial War Cabinet the business with which the Colonial Office is better qualified to deal.

The corollary of giving the Dominion Prime Ministers the right to correspond direct with their colleagues of the Imperial War Cabinet is that they should be kept fully supplied with all relevant information by the Imperial War Cabinet. Here again the existing machinery which supplies them with the information they require while the War Cabinet is in session is the natural machinery for the purpose. But what would undoubtedly help the smooth and efficient working of this side of the mechanism of continuous closer touch is if each Dominion would add to the existing Imperial War Cabinet staff an assistant secretary of its own specially charged with the task of keeping his Prime Minister informed by telegram or by the selection of the documents which should be forwarded to him. Such an assistant secretary would be paid for by the Dominion Government and responsible to his Prime Minister. But he should be available for the ordinary work of the Secretariat and under the general authority of the Secretary. Here again there is nothing new. The Imperial War Cabinet staff already includes one Assistant Secretary who is provided and paid for by India and is specially charged with looking after Indian and Eastern questions but is also available for the ordinary work of the office.

The principle that any Dominion Minister who happens to be in London should be invited to attend the War Cabinet when questions which affect his Dominion are raised, has already been established. The presence of Dominion Assistant Secretaries in the Imperial War Cabinet office would ensure attention being drawn to the occasions when such invitations should be issued. If the Dominions decided to have each a Minister resident in London, permanently or for considerable periods, it would greatly help the continuity of Imperial policy if these Ministers met, under the chairmanship of a member of the Imperial War Cabinet, as an Imperial Committee to watch over Imperial policy. This Committee could impress its views collectively on the British War Cabinet and could arrange for its members to be invited to the War Cabinet for the discussion of more important affairs of common interest, in which case the meeting would in effect become an Imperial War Cabinet meeting.

There is one other change that should be introduced at once. That is that official correspondence between the British Government and the Dominion Governments should not pass through the Governor or Governor General but direct, the copy being simultaneously given to the latter, whose position in that respect would be exactly assimilated to that of His Majesty in this country. The change may seem a trifling one, a matter of etiquette. But it is of significance from the point of view of that equality of status which is the foundation of British Imperial policy, and there is no practical reason why it should not be given effect to immediately.

L. S. Amery

501. *Prime Minister to Acting Prime Minister*

Telegram London, July 27, 1918

For Cabinet and especially for Calder. Following Resolution passed by Imperial War Conference twenty-fourth instant. Begins. The Imperial War Conference are of opinion that effect should now be given to the principle of reciprocity approved by Resolution XXII of the Imperial War Conference, 1917. In pursuance of that Resolution it is agreed that:

1. It is an inherent function of the Governments of the several communities of the British Commonwealth, including India, that each should enjoy complete control of the composition of its own population by means of restriction on immigration from any of the other communities.

2. British citizens domiciled in any British country, including India, should be admitted into any other British country for visits, for the purpose of pleasure or commerce including temporary residence for the purpose of education. The conditions of such visits should be regulated on the principle of reciprocity as follows:

(*a*) The right of the Government of India is recognised to enact laws which shall have the effect of subjecting British citizens domiciled in any other British country to the same conditions in visiting India as those imposed on Indians desiring to visit such country.

(*b*) Such right of visit or temporary residence shall, in each individual case, be embodied in a passport or written permit issued by the country of domicile and subject to visé there by an officer appointed by and acting on behalf of the country to be visited, if such country so desires.

(*c*) Such right shall not extend to a visit or temporary residence for labour purposes or to permanent settlement.

3. Indians already permanently domiciled in the other British countries should be allowed to bring in their wives and minor children on condition (*a*) that not more than one wife and her children shall be admitted for each such Indian and (*b*) that each individual so admitted shall be certified by the Government of India as being the lawful wife or child of such Indian.

4. The Conference recommends the other questions covered by the memoranda presented this year and last year to the Conference by the representatives of India in so far as not dealt with in the foregoing paragraphs of this Resolution to the various Governments concerned with a view to early consideration. Ends. Prime importance of this agreement from Canada's viewpoint is that we have secured formal and public acquiescence by British Government and Government of India in our view that we have absolute control of composition of our population and their assent to such restrictions on immigration as we deem desirable. While it is properly recognized that Indian British citizens may visit Canada temporarily for purposes of pleasure, commerce or education yet it is explicitly declared such right shall in no sense be capable of extension to residence for labour purposes or to permanent settlement. Also very important that this has been secured by harmonious adjustment between the Governments concerned and that this long outstanding question is now settled on a permanent basis satisfactory to us without wounding self-esteem of India thereby promoting peace and goodwill in the future. As to admission of wives and minor children it was felt that this concession was reasonable in view of following considerations. First, the loyalty, devotion and splendid war record of India. Second, it facilitated the permanent settlement of main question. Third, the other Dominions have already for some years permitted this right. Fourth, the relatively small numbers involved in the case of Canada. These observations are made in view of fact that Resolution will be published Monday and in order enable you make public statement which will serve to forestall any adverse comment which might arise in Canada.

BORDEN

502. *Prime Minister to Colonial Secretary*

London, August 2, 1918

My dear Mr. Long,

I hope that there will be no further delay in arranging that Sir George Perley shall be supplied regularly with copies of despatches addressed by the Secretary of State for the Colonies to the Governor General and of telegrams passing between the Secretary of State for the Colonies and the Government of the Dominion. This is the arrangement entered into in September 1915 when Sir George Perley was acting High Commissioner and a member of the Government. He is now High Commissioner and although he is not a member of the Government he occupies a highly confidential and important position analogous to that of an Ambassador. Practically every Department of State in Canada is in communication with him from time to time on subjects which have to be taken up with Departments of the British Government.

The objections raised to the course which I have suggested seem to me formal rather than substantial. Sir George Perley has been made the medium of secret and highly confidential communications to you and to the Prime Minister. It is not improbable that this practice will develop in future with great advantage to the public interest in respect of all matters with which the High Commissioner may be called upon to deal.[1]

Yours faithfully,

[R. L. BORDEN]

503. *Prime Minister to Prime Minister of United Kingdom*

London, August 15, 1918

Dear Mr. Lloyd George,

Sir George Perley, High Commissioner for Canada, who was a member of the late Government and is a member of the King's Privy Council for Canada, upon the formation of the Union Government in October last ceased to be a member of the Administration and was appointed to the position of High Commissioner, the duties of which he had already been discharging as Minister without Portfolio from June 1914. He has my complete confidence in all matters relating to the administration of public affairs in Canada, and all our business in the United Kingdom with reference to such affairs (except matters directly connected with war activities) centres in his office. If at any time his presence should be desired at a meeting of the Imperial War Cabinet for purposes of consultation or information in respect to the matters which he thus directs, he would be prepared to attend.

Yours faithfully,

[R. L. BORDEN]

[1] On August 14 Long told Borden he had reverted to the 1915 arrangement, except that in regard to confidential or secret documents he must reserve his discretion.

504. *Prime Minister to Prime Minister of United Kingdom*

CONFIDENTIAL London, August 15, 1918

Dear Mr. Lloyd George,

At present I do not propose to appoint a resident minister empowered to act as a regular member of the Imperial War Cabinet. In a letter of even date, copy of which is being sent to Sir Edward Kemp, I am suggesting that in case his presence should be desired at any meeting of the Imperial War Cabinet for consultation in matters relating to the war, he will be glad to attend.

Faithfully yours,

[R. L. BORDEN]

505. *Prime Minister to Minister of Overseas Military Forces*

London, August 15, 1918

Dear Sir Edward Kemp,

I am enclosing a copy of a letter which I have addressed to Mr. Lloyd George respecting your attendance at the Imperial War Cabinet, when required, for purposes of consultation or otherwise.

Yours faithfully,

[R. L. BORDEN]

[ENCLOSURE]

Prime Minister to Prime Minister of United Kingdom

London, August 15, 1918

Dear Mr. Lloyd George,

As you are doubtless aware, Sir Edward Kemp, the Minister of the Canadian Overseas Military Forces, resides in London and devotes his entire time to the very responsible duties that continually occupy him. Notwithstanding the insistent claim of those duties he is prepared at any time to attend a meeting of the Imperial War Cabinet in case his presence should be required for consultation or otherwise.

Faithfully yours,

[R. L. BORDEN]

506. *Prime Minister to the First Lord of the Admiralty*

London, August 15, 1918

Dear Sir Eric Geddes,

I am afraid the brevity of the time at my disposal will prevent me bringing up in the Imperial War Cabinet the subject dealt with in the Admiralty memorandum.

I have, however, consulted the Prime Ministers of the Dominions, who (with the exception of the Prime Minister of Newfoundland) have expressed their approval of the accompanying memorandum.

The Prime Minister of Newfoundland has been requested to communicate with you direct on the subject.

Faithfully yours,

R. L. BORDEN

[ENCLOSURE]

Memorandum

The Dominion Ministers, having considered the Admiralty memorandum of 17th May, 1918, on the naval defence of the British Empire, which was circulated to the Imperial War Conference, 1918, submit the following conclusions and observations.

1. The proposals set forth in the Admiralty memorandum for a single navy at all times under a central naval authority are not considered practicable.

2. Purely from the standpoint of naval strategy the reasons thus put forward for the establishment of a single navy for the Empire, under a central naval authority, are strong but not unanswerable. The experience gained in this war has shown that in time of war a Dominion navy (e.g., that of Australia) can operate with the highest efficiency as part of a united navy under one direction and command established after the outbreak of war.

3. It is thoroughly recognized that the character of construction, armament and equipment, and the methods and principles of training, administration, and organization should proceed upon the same lines in all the navies of the Empire. This policy has already been followed in those Dominions which have established naval forces.

4. For this purpose the Dominions would welcome visits from a highly qualified representative of the Admiralty, who, by reason of his ability and experience, would be thoroughly competent to advise the naval authorities of the Dominions in such matters.[1]

5. As naval forces come to be developed upon a considerable scale by the Dominions it may be necessary hereafter to consider the establishment for war purposes of some supreme naval authority upon which each of the Dominions would be adequately represented.

507. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH 442 Downing Street, August 15, 1918

My Lord Duke,

I have the honour to transmit to Your Excellency to be laid before your Ministers, the accompanying copies of the Proceedings of the Imperial War Conference on Thursday July 18th at which the subject of "Channels of Communication" was discussed. Your Ministers will observe that the following Resolution on the subject was carried:

(1) That this Conference is of the opinion that the development which has taken place in the relations between the United Kingdom and the Dominions

[1] This suggestion led to Admiral Lord Jellicoe's tour of the Dominions in 1919 and his preparation of a comprehensive report on naval policy for the Canadian Government. The Government subsequently showed little enthusiasm for Jellicoe's proposals.

necessitates such a change in administrative arrangements and in the Channels of Communication between their Governments as will bring them more directly in touch with each other.

(2) That the Imperial War Cabinet be invited to give immediate consideration to the creation of suitable machinery for this purpose.

The subject was subsequently considered by the Imperial War Cabinet, and on Tuesday July 30th the following Resolutions were passed:

I. (1) The Prime Ministers of the Dominions, as members of the Imperial War Cabinet, have the right of direct communication with the Prime Minister of the United Kingdom, and vice versa.

(2) Such communications should be confined to questions of Cabinet importance. The Prime Ministers themselves are the judges of such questions.

(3) Telegraphic communications between the Prime Ministers should, as a rule, be conducted through the Colonial Office machinery, but this will not exclude the adoption of more direct means of communication in exceptional circumstances.

II. In order to secure continuity in the work of the Imperial War Cabinet and a permanent means of consultation during the war on the more important questions of common interest, the Prime Minister of each Dominion has the right to nominate a Cabinet Minister either as a resident or visitor in London to represent him at meetings of the Imperial War Cabinet to be held regularly between the plenary Sessions.

I observed when this Resolution was being considered in the Cabinet that the effect which the change proposed would have on the position of the Governors General and the Secretary of State would depend very much on how it worked out in practice. For myself I said, and for the Governors General whose interests I represent as a Minister, all I could say was that I believed that they could loyally accept the decision as I did, but they and I must reserve their absolute freedom of action: so much must depend on the interpretation given to and the use made of the new conditions that they and I must not be bound by the decision arrived at, but must be free to take such action as we might think fit when we know from experience what the result has been.

I have etc.

WALTER H. LONG

[ENCLOSURE]

Channels of Communication between Dominions and United Kingdom

SECRET August 15, 1918

NOTE BY THE SECRETARY

At a Meeting of the Committee of Prime Ministers held this afternoon it was agreed that the following notice should be published in the morning newspapers of Monday, August 19th.

M. P. A. HANKEY.

"During the past two and a half months the Imperial War Cabinet has been in continuous session. Every aspect of policy affecting the conduct of the war and the question of peace has been examined by the Prime Ministers of the Empire and other members representative of all its parts. These meetings have proved of such value that the Imperial War Cabinet have thought it essential that certain modifications should be made in the existing channels of communication, so as to make consultation between the various Governments of the Empire in regard to imperial policy as continuous and intimate as possible. It has therefore been decided that for the future the Prime Ministers of the Dominions, as members of the Imperial War Cabinet, shall have the right to communicate on matters of Cabinet importance direct with the Prime Minister of the United Kingdom, whenever they see fit to do so. It has also been decided that each Dominion shall have the right to nominate a visiting or a resident Minister in London to be a member of the Imperial War Cabinet at meetings other than those attended by the Prime Ministers. These meetings will be held at regular intervals. Arrangements will also be made for the representation of India at these meetings."[1]

508. *Prime Minister to Prime Minister of United Kingdom*

London, August 16, 1918

Dear Mr. Lloyd George,

It seems very desirable that some arrangement should be made whereby, during the interval between the sessions of the Imperial War Cabinet, important papers which are circulated throughout the year to the members of the British War Cabinet could be sent out to the Dominions for the information of the Dominion members. It is an almost impossible task on our arrival here to give careful attention to the mass of documents which we find confronting us. Some of the papers could doubtless be sent out in the regular bag which goes from here to Ottawa; as to others, it would probably be necessary to arrange for a special messenger service. This, I should think, would not be difficult.

For myself, I should like to see all the important papers, and especially, perhaps, those relating to the United States of America, her forces and her war effort generally, the Siberian Expedition and Russia generally, and the League of Nations. I do not, however, in mentioning these special matters, wish to be understood as in any sense excluding other subjects.

The arrangement would seem to be a natural consequence of the decision recently reached in the Imperial War Cabinet.

Yours faithfully,

[R. L. BORDEN]

[1] The last sentence was amended to read as above after the meeting at the request of the India Office. [Footnote added by Secretary.]

509. *Lord Chancellor to Prime Minister*

PRIVATE London, August 30, 1918

My dear Sir Robert,

I enclose a copy of the Resolution of the Imperial Conference as to an Imperial Court of Appeal.

Before forming any scheme for consideration, I should be greatly obliged if you could favour me with your views as to the best method of carrying out the proposal, and also upon any alternative proposals which may occur to you as practicable improvements in the system for disposing of Final Appeals. I should also be grateful for any general observations upon the whole subject which may occur to you.

Sincerely yours,

FINLAY[1]

[ENCLOSURE]

Resolution XXII of the Imperial War Conference
July 26, 1918

IMPERIAL COURT OF APPEAL

1. That the question of replacing the present dual system of appeal by the constitution of one Imperial Court of Appeal demands the prompt consideration of His Majesty's Government.

2. That the Lord Chancellor should be invited to prepare and circulate to the Governments of the Dominions and of India, as soon as possible, a memorandum of such proposals as in the opinion of His Majesty's Government are practicable for that purpose with a view to decision at the next Imperial Conference.

3. That each such Government as soon as possible thereafter shall communicate to the Government of the United Kingdom its views with regard to such proposals.[2]

510. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH Downing Street, September 12, 1918

My Lord Duke,

I have the honour to transmit to Your Excellency, to be laid before your Ministers, the accompanying copy of a despatch which I have sent to the

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[1] Lord Chancellor of England, 1916-19.

[2] The subject of an Imperial Court of Appeal was not discussed at the Imperial Conferences of 1921 and 1923. At the 1926 Conference it was recognized that uniformity in the conditions of appeal to the Judicial Committee was undesirable. Thereafter there was no interest in the subject of an Imperial Court of Appeal.

other self-governing Dominions with reference to a recent suggestion by the Prime Minister of Canada that the shorthand report of the debating of the Imperial Conference should be abolished.

I have etc.,

WALTER H. LONG

[ENCLOSURE]

Colonial Secretary to Dominion Governments

CONFIDENTIAL DESPATCH
Sir, Downing Street, September 12, 1918

I have the honour to request you to inform your Ministers that I received recently a letter from the Prime Minister of the Dominion of Canada stating that, if the Imperial Conference was to be continued both during the War and afterwards, he was strongly of opinion that the shorthand reports of its debates should be abolished. Sir Robert Borden acknowledged that a record of what was said was convenient for occasional reference, but, in his opinion the disadvantages seemed greatly to outweigh the advantages. He thought that after all the real value of the Conference lay in its conclusions and not in the speeches upon which those conclusions might be based. Sir Robert Borden added that his colleagues at both the Imperial War Conference of 1917 and that of 1918 entirely agreed with him that much time was wasted, and that this waste was due in no inconsiderable degree to the fact that the speeches were recorded. He expressed the hope that his suggestion would be taken into very serious consideration.

2. I pointed out to Sir Robert Borden that the matter was not one which I could decide as Chairman, but one which the Conference must decide for itself. I undertook, however, to bring the question before the various Governments represented at the Conference in order that a decision might be taken by the time it became necessary to make arrangements for the next Conference.

3. I should be glad to be furnished with an expression of your Ministers' views on the question. I am taking steps to ascertain the views of the other Governments represented at the Conference.

I have etc.,

WALTER H. LONG

CHAPTER IV

BOUNDARY QUESTIONS

International Boundary Waters Treaty, 1909; establishment of International Joint Commission; Passamaquoddy Bay boundary; Dixon Entrance and Hecate Strait; Chicago drainage canal; Labrador boundary.

511. *Governor General to Ambassador in United States*

PARAPHRASE OF TELEGRAM — Ottawa, January 11, 1909

Your telegram No. 6, of January 10. Boundary waters. Please sign treaty.[1]

GREY

512. *Ambassador in United States to Governor General*

TELEGRAM 7 — Washington, January 11, 1909

Boundary Waters Treaty[2] signed early in the evening. Congratulations.

BRYCE

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[1] The work of the International Waterways Commission, formed in 1902 at the suggestion of the United States Government, had demonstrated that a group made up of an equal number of members from the United States and Canada could make agreed recommendations leading to the settlement of contentious questions. The Canadian Section of the Commission, however, felt the need for fixed principles upon which to work in order to counter the possible advantage of the stronger power if each case were left to be decided by itself with no guiding principles acceptable to both sides. While the United States Government preferred to see each question regarding the use of boundary waters argued on its merits, George Gibbons, Chairman of the Canadian Section, urged the adoption of general principles. With the support of Sir Wilfrid Laurier in this view, he worked towards securing a treaty which would both establish the desired principles and expand the jurisdiction of the existing International Waterways Commission to give it power to decide questions and not merely to recommend a solution to the two Governments. His work culminated in the signature of the Boundary Waters Treaty. For an account of the negotiations, see Alan O. Gibbons' article "Sir George Gibbons and the Boundary Waters Treaty of 1909", in the *Canadian Historical Review*, Vol. XXXIV, No. 2, June, 1953

[2] The text is printed in *Treaties and Agreements affecting Canada in force between His Majesty and the United States of America with Subsidiary Documents, 1814-1925*. Ottawa, 1927, pp. 312-318.

513. *Prime Minister to George C. Gibbons*

[Ottawa,] January 12, 1909

My dear Gibbons,

I duly received your telegram of yesterday. Aylesworth is of the opinion, as you stated to me, that it is preferable not to insert in the treaty a provision for its ratification by Parliament. This reasoning is strong, though he did not fully convince me, but my confidence in both of you combined is such that I yield.

Lord Grey received Sunday evening a telegram from Bryce to the effect that the Americans would prefer to keep in Article II the words: "subject to existing treaties". As this omission would have been a concession to them, the retention of the words is all the better for us. We will be able to make use of your argument about the Treaty of 1842, bad as it was.

I should say that the Americans also agreed to the insertion of the words desired by Oliver. Here again it is all right.

The treaty as a whole has excellent features, but there is one feature which gives me a good deal of anxious thought. It is the feature about the diversion of waters. I expect that this will be strongly objected to and attacked. I wish you were in the House of Commons to defend it, but you are not, and I write now to ask you to set down to work and to prepare me a brief for the discussion, which will not be very far off.

Before I conclude let me offer you my sincere gratitude for the labour, energy, and hard work which you have given us for the last three years.

Yours very sincerely,

WILFRID LAURIER

514. *George C. Gibbons to Prime Minister*

London, Ontario, January 13, 1909

My dear Sir Wilfrid,

Your letter received. There must be no assertion of right under Treaty of 1842. Nothing need be said about it, but when Article II was adopted it was understood that we were not to assert such a right and they have my assurance to that effect.

Our assizes are on and I will be in Court for the next ten days but will, as soon as I can, prepare a brief on Article II. Public rights are not interfered with but left just as they were. Private rights are fully protected. Diversions are permitted in all civilized countries for the greater good, subject to indemnity to those injuriously affected.

Our citizens are given exactly the same rights as citizens of Minnesota. What more can they ask? Without the treaty the right to divert would have been given without any such protection. As a matter of fact this protection will put an end to the Minnesota project. The conditions as to non-interference

with navigation are of the most stringent character and if in addition they have to recognize the claims of Canadian private interests there will be no work done.

I do not think that more than a general statement is desirable unless criticism forces a discussion of the Minnesota matter. Perhaps, as I cannot discuss the matter in the House, an opportunity might be given me by some such body as the Canadian Club to go into the whole matter immediately after the treaty is brought down. As I am saturated with it, I think what I have to say would be convincing and prevent criticism later in the House.

I am glad that you think there are some excellent things in the treaty. I think it is full of excellent things and have not the slightest doubt about my ability to convince the Canadian people that it is. I feel confident it will be received with the greatest enthusiasm, as it has been already on a dozen occasions.

Kindly do not forget that you repeatedly assured me that the conditions existing were intolerable,—that under them you must necessarily yield in every case—that it was most desirable that principles should be adopted—that a permanent board was essential to their enforcement—and that a permanent board of reference was just what was desired.

I would have thought from Mr. Pugsley's anxiety to claim the making of the treaty that he,[1] at least, was imbued with its greatness.

Thanks for your appreciation of my years of hard work.

Yours sincerely,

GEO. C. GIBBONS

515. *George C. Gibbons to Prime Minister*

My dear Sir Wilfrid, London, Ontario, January 28, 1909

I have been absolutely tied up every minute for the last two weeks. Will send you a brief in a few days now.

If you will glance at our report, page 127 and 128, you will see the distinction is drawn as between diversions which interfere with private interests and those which affect public interests.

As regards public interests, the treaty leaves the situation exactly as it was. As regards private interests the holding of our Commission was that diversions should not be permitted to their injury, because, at the time our report was made, there was no way in which such interests could be protected. If the treaty provides a way by which such interests are fully protected, then there is no just reason why either country should be prevented from making developments in the public interest.

It would not be wise that either country should be absolutely precluded in that regard because some private interests in the other country would be

[1] William Pugsley, Minister of Public Works, 1907-1911.

affected, any more than they should be precluded because private interests in their own would be so affected. It is because private interests can be protected that these interferences of property rights are justified anywhere.

The whole objection to such interferences is removed if the private interests affected in the foreign country are placed in exactly the same position as if they were in the country where the diversion takes place.

I will send you by Monday a brief on the matter. The more I think of the provision the more reasonable I think it is. It would never do for either country to absolutely agree that no work should be permitted of injury to private interests in the other. As under the 14th amendment to the American Constitution no rights of property can be interfered with without compensation, we are a good deal safer under this provision than they are. Unfortunately, under our constitution the Legislature can do anything it wants with other people's property.

I had a note from Mr. Whitney[1] asking me to see him when in Toronto. I saw him yesterday and he asked me to attend a meeting of the Cabinet on Tuesday next, to which I assume there will be no objection. I think his whole inclination is to support the treaty.

Yours truly,

GEO. C. GIBBONS

516. *Notes prepared by George C. Gibbons for Prime Minister*

[Undated[2]]

BOUNDARY WATERS TREATY

Article I

In the discussion as to the location of the boundary from Lake Superior to the Lake of the Woods by the Commissioners, under Article VII of the Treaty of Ghent, the British Commissioner offered to enter and ascend the Pigeon River and proceed by a certain water communication to Lake Namekan, provided that the Grand Portage should remain free to both parties. The Government of the United States held that the powers of the American Commissioner under the treaty did not authorize him to enter into such an engagement, but added:

> Any stipulation that the Grand Portage should remain free to both parties is, moreover, unnecessary according to the principles which the Government of the United States considers applicable to the subject. Agreeably to these principles, both parties, Great Britain and the United States, have the right of navigation from the highest navigable source of the lakes to the sea through all the water communications by which they are connected with one another, or with the ocean.

[1] Sir James Whitney, Premier of Ontario, 1905-1914.

[2] The notes appear to have been completed shortly after the Prime Minister had repeated his request in a letter dated January 27.

> To enter into a stipulation by which that right shall be affirmed in regard to any particular link of that chain, would therefore not only be superfluous, but might bring into question the soundness of those principles in their application to other parts of the same chain.

Mr. Clay, Sec. of State, to Mr. Porter, Nov. 13, 1826, 31 MS. Dom. Let. 422.

See Moore, *International Digest,* Section 139, page 676.

Notwithstanding this declaration, the Treaty of 1842 (Webster-Ashburton), Article II, in settling this boundary has this provision:

> It being understood that all the water communications, and all the usual portages along the line from Lake Superior to the Lake of the Woods, and also Grand Portage from the shore of Lake Superior to the Pigeon River, as now actually used, shall be free and open to the use of the subjects and citizens of both countries.

And Article VII is as follows:

> It is further agreed that the channels in the River St. Lawrence on both sides of the Long Sault Islands and of Barnhart Island, the channels in the River Detroit on both sides of the Island Bois Blanc, and between that island and both the Canadian and American shores, and all the several channels and passages between the various islands lying near the junction of the River St. Clair with the lake of that name shall be equally free and open to the ships, vessels and boats of both parties.

It might be very well argued that the maxim, *Expressio unius exclusio est alterius,* would apply and as specific channels are declared free to the ships of both countries, it would follow that elsewhere such right would not exist.

By the Treaty of 1871, Article XXVI, it is provided:

> The navigation of the River St. Lawrence, ascending and descending from the 45th parallel of north latitude, where it ceases to form the boundary between the two countries, from, to, and into the sea, shall forever remain free and open for the purposes of commerce to the citizens of the United States, subject to any laws and regulations of Great Britain, or of the Dominion of Canada, not inconsistent with such privilege of free navigation.

By Article XXVIII of the same treaty it was stipulated that the navigation of Lake Michigan, which lies wholly within the jurisdiction of the United States, should for the term of ten years and further until the expiration of two years after either party shall have given notice to the other of its wish to terminate the same "be free and open for the purposes of commerce to the subjects of Her Britannic Majesty, subject to any laws and regulations of the United States or of the States bordering thereon, not inconsistent with such privileges of free navigation." This privilege the United States claim to have terminated by notice.

See message of President Harrison, Feb. 2, 1893. (Richardson, Vol. IX, page 335.)

By Article XXVII of the Treaty of Washington, it is provided:

> The Government of Her Britannic Majesty engages to urge upon the Government of the Dominion of Canada to secure to the citizens of the United States the use of the Welland, St. Lawrence, and other canals in the Dominion on terms of equality with the inhabitants of the Dominion; and the Government of the United States engages that the subjects of Her Britannic Majesty shall enjoy the use of the St. Clair Flats Canal on terms of equality with the inhabitants of the United States, and further engages to urge upon the State Governments to secure to the subjects of Her Britannic Majesty the use of the several State Canals connected with the navigation of the lakes or rivers traversed by or contiguous to the boundary line between the possessions of the High Contracting Parties on terms of equality with the inhabitants of the United States.

"The Great Lakes", said the court in Moore vs. American Transportation Company, 24 Howard, "form a boundary for a distance of 1200 miles and are of an average width of at least 100 miles. The aggregate length of these lakes is over 1500 miles and the area covered by their waters is said to be some 90,000 square miles. The waters of these lakes, in the aggregate, exceed those of the Baltic, the Caspian, or the Black Sea, and approach in magnitude those of the Mediterranean. They exceed those of the Red Sea, the North Sea or German Ocean, the Sea of Marmora, and of Azoff, and, like the lakes, all of these seas, with the exception of the North Sea, are tideless."

Since the Treaty of 1842 giving to the citizens of the United States and Canada a like right to use certain channels in the St. Lawrence, Detroit and St. Clair Rivers, irrespective of territorial rights, the channels in use have been greatly altered by artificial improvements, mainly by the United States Government, within their own territory, notably the Hay Lake Channel and the Neebish Channel in the St. Mary's River, near Sault Ste. Marie, which have opened up a new line of travel eleven miles shorter and four feet deeper than that previously available and one which can be navigated at night with a reasonable degree of safety. The United States Government are now at work upon the new Livingston channel in the Detroit River and have in contemplation a new lock at Sault Ste. Marie.

Article I of the Treaty is important in declaring that the navigation of all these boundary waters from main shore to main shore shall forever continue free and open for the purposes of commerce to the peoples and ships of each country alike. The provision extending this privilege to Lake Michigan during the term of the Treaty is an important and generous concession to us.

Article II

In relation to Article VII of the Treaty of Guadalupe Hidalgo of February 2, 1848, the then Attorney General Harmon in his opinion dated 12th December, 1895, (21 Op. 274) advised:

> That under international law the United States was not obliged to deny to its inhabitants the use of the waters of that part of the river lying wholly within its jurisdiction even though such use reduced the volume of water below a point where the river ceased to be wholly within the United States.

The Attorney General observed that it did not pertain to his Department to consider whether any action should be taken on grounds of comity or of policy. Great Britain, supported by the Canadian Government, (See Moore, *International Law Digest,* 1906, pages 631 to 634 and the correspondence therein referred to) in 1850 maintained their sovereign right with regard to the St. Lawrence in Canadian territory and refused to permit even the right of navigation to American vessels. L. Oppenheim, LL.D., Lecturer in Public International Law at the London School of Economics and Political Science, [in *International Law, a Treatise,* 1905], Volume 1, page 225, section 176, says: "Theory and practice agree upon the rule that rivers are part of the territory of the riparian state," and at page 226 he says, referring to rivers which run through several states, "each state owns that part of the river which runs through its territory."

Sir Robert Phillimore in his *Commentaries upon International Law,* edition 1879, page 12 and 13, draws the distinction between the international obligations of governments as they affect public interests and as they affect private interests and says:

> The *obligationes juris privati inter gentes* are not—as the *obligationes juris publici inter gentes* are—the result of legal necessity, but of social convenience, and they are called by the name of Comity—*comitas gentium.*
>
> It is within the absolute competence of a State to refuse permission to foreigners to enter into transactions with its subjects, or to allow them to do so, being forewarned that the municipal law of the land will be applied to them: therefore a breach of comity cannot, strictly speaking, furnish a *casus belli,* or justify a recourse to war, any more than a discourtesy or breach of a natural duty, simply as such, can furnish ground for the private action of one individual against another.
>
> For a want of Comity towards the individual subjects of a foreign State, reciprocity of treatment by the State whose subject has been injured, is, after remonstrance has been exhausted, the only legitimate remedy; whereas the breach of a rule of Public International Law constitutes a *casus belli,* and justifies in the last resort a recourse to war.

And at page 221, same edition, he says:

> A State in the lawful possession of a territory has an exclusive right of property therein, and no stranger can be entitled, without her permission, to enter within her boundaries, much less to interfere with her full exercise of all the rights incident to that supreme dominion which has obtained from jurists the appellation of *dominium eminens.*
>
> National territory consists of water as well as land.

See Chief Justice Marshall's opinion in Schooner Exchange vs McFadden, 7 Cranch, page 136:

> The jurisdiction of the nation within its own territory is necessarily exclusive and absolute. It is susceptible of no limitation not imposed by itself. Any restriction upon it, deriving validity from an external source would imply a diminution of its sovereignty to the extent of the restriction, and an investment of that sovereignty to the same extent in that power which could impose such restriction.

> All exceptions, therefore, to the full and complete power of a nation within its own territories must be traced up to the consent of the nation itself. They can flow from no other legitimate source.

There is no limitation on the sovereign right of each nation over waters within its own territory any more than over its lands. As a matter of comity all that one State can ask of the other in regard to private interests injured by diversions in such other is that these should be protected. It certainly cannot ask that its citizens, with respect to their private rights, shall have a greater protection than is given to riparian interests similarly affected in the country where the diversion takes place; nor would it be politic that either country should agree to an absolute prohibition of its right to diversions which might be of great advantage solely because some private interests in another country might be injuriously affected.

Without the provisions of this Treaty, the private interests in the one country injured by diversions in the other would be without any remedy. The Treaty practically removes the boundary line in dealing with these interests.

Absolute prohibition would be resented and could not be justified. Corporations seeking to divert waters from their natural course cannot complain if they are called upon as a condition to indemnify private interests injured by their action without regard to boundary lines.

It would not be possible, however, to place this class of cases under the control of the Commission. Boundary waters must necessarily be dealt with by a Joint Board, but no State or Province would be willing to place in the hands of an International Commission jurisdiction to deal with or regulate property wholly within its own territory. The regularly constituted courts of each country are the proper fora for the adjustment of the rights of all parties injuriously affected. The citizens of a foreign country can demand no higher rights than those of the State or Province where the diversion is made. They are given the same rights under the provisions of this Treaty.

Article III

Article III gives the Commission jurisdiction to deal with obstructions and diversions of boundary waters affecting the natural level or flow on the other side of the line.

Article IV

Article IV gives them similar jurisdiction with regard to obstructions in waters flowing from boundary waters or in waters at a lower level than the boundary in rivers flowing across the boundary, the effect of which is to raise the natural level of waters on the other side of the boundary.

Article IV also prevents pollutions on either side to the injury of health or property on the other.

Article V

The position at Niagara was peculiar. There, as elsewhere, the principle of equal division should apply. As each country is entitled to divert one-half of the water available for power purposes, after providing for domestic use and protecting the interests of navigation, it would have been possible, below the crest of the rapids, to have diverted practically the whole 200,000 cu. ft. per second, which is the natural flow, and such diversion would have permitted each country, within its own territory, to divert 100,000 cu. ft. of the flow. That, however, would have meant, of course, the destruction of the scenic effect which both countries had an interest in maintaining.

In the United States the sentiment against destruction was very strong. President Roosevelt in his message to Congress dealt with the matter. The Civic Federation League, having branches throughout all the States, strongly championed preservation.

The refusal on our part to join in such an effort would have raised an outcry throughout the continent. The Canadian Section of the Commission felt that they would be placed at great disadvantage if they were placed in conflict with their United States *confrères* on this question.

It, therefore, became important, if possible, for the Commission to decide what proportion of the water could be diverted for power purposes without serious injury to the scenic effect. While it was absolutely impossible for the most expert to express any very positive opinion it was the conclusion of the Commission upon the best advice available that not more than one-quarter of the whole flow could be diverted without serious injury to the scenic effect.

It was, therefore, decided, in the meantime, to permit the diversion of some 54,500 cu. ft. per second of the total flow or about one-fourth of the whole. As the natural flow was much heavier on the Canadian side, the Commission also agreed that the larger proportion could, without injury, be taken from that side, and so recommended that the proportions be 36,000 cu. ft. on the Canadian side and 18,500, cu. ft. on the United States' side. The Treaty makes the proportions 36,000 cu. ft. on the Canadian and 20,000 cu. ft. on the United States' side of the river.

It will be noticed that the Treaty only limits diversions above the Falls. The 36,000 cu. ft. reserved for Canada will develop upwards of 400,000 h.p. Further developments below would (but at a greater cost) produce another 100,000 h.p. so that we will have available, in all, some 500,000 h.p. without destroying the scenic effect of the Falls or of the rapids below.

It may be that in the future even this will not suffice. When the time comes it may be necessary to abrogate the Treaty in this regard. In the meantime and until the necessity arises, it would be wanton to sanction further developments as we have not a present Canadian market for one-fifth of the authorized development. All additional power generated for the next ten years at least must be exported. We could hardly justify the destruction of Niagara

by the desire to create power for exportation, and even if permitted to do so, the United States would defeat the attempt by prohibiting or limiting the limitation as they did by the Burton Act.

Article VI

Article VI deals with the St. Mary and Milk Rivers and their tributaries in the State of Montana and in the provinces of Alberta and Saskatchewan. The Canadian Section of the International Waterways Commission in their report to the Minister of Public Works, January, 1907, gave a brief statement of the salient points with respect to the question, as follows:

> St. Mary and Milk Rivers both rise in Montana, a few miles south of the boundary line (49th parallel), the former in the Rocky Mountains, the latter, farther east, from the eastern slopes of the foot-hills. Both rivers flow north into Canada, but Milk River, after a course of over one hundred miles, recrosses the boundary line and finally falls into the Missouri River.
>
> On both sides of the boundary line, in the region which may be reached by irrigation canals, from these rivers, is a large tract of semi-arid country, of little use in its natural condition, but capable of vast development when a regular supply of water is assured. It is probable that the whole water supply of the two rivers might be put to beneficial use on either side of the boundary line. Of the two rivers, the St. Mary is the more valuable for irrigation purposes, since it is the larger river in average flow, and also has a more constant supply, from the melting of snow at its mountain sources, during the hot months.
>
> In the early days of irrigation in the Western States, the waters of streams were treated by riparian proprietors as property appertaining to their lands, which they could divert at will, without reference to the rights of other riparian owners. As the water used in irrigation is in great part, if not altogether, absorbed by growing vegetation, or dispersed by evaporation, little is returned to the river below, and the common law rights of the lower proprietors, to the natural flow through their lands, were impaired.
>
> This was of little consequence when irrigating works were limited to the supply of a few cultivated acres, but when the advantages of irrigation came to be more fully recognized, and developments became more extensive, conflicts of interests multiplied, and the necessity of regulation of diversions by law became evident.
>
> Laws for this purpose have been adopted by the several states in which irrigation is employed. These laws vary in different states, and it is not the intention here to discuss the details of the differences between different laws. The general principle behind them all is, however, the rights of the first diverter of water to his beneficial use; assertion of intention to divert is required by record in the registry office, by notice posted at the place of intended diversion, by newspaper advertisement, or the like. Difficulties arise, when there is no authority to apportion the water, from excessive appropriation by one owner to the detriment of the rest, and from the fact that records made against the same stream in different districts are not accessible; the intending irrigator has difficulty in ascertaining either what appropriations have been made which will lessen the flow to him, or those which have been made below him, and which he should respect.
>
> It was the good fortune of Canada to be able to deal with these questions before they became complicated by vested private interests. In 1894 an Act of Parliament was passed by which the right of use of waters available for

irrigation was vested in the Crown, and provision was made for apportionment of the waters under regulations to be made by the Minister of the Interior. Surveys were made by the Dominion Government to ascertain the most favourable locations for irrigation works, in order that the water might be used to the best advantage. Several irrigation projects have been developed under this policy, with which the Alberta Railway and Irrigation Company, whose canals connect with both the St. Mary and the Milk Rivers, is particularly concerned in the present question.

In 1901 an Act of Congress was passed having similar objects. Under this Act, a fund constituted by the sales of public lands in the west is to be used for the construction of irrigation works, where the same will be profitable. The administration of the fund is in the hands of the Reclamation Branch of the United States Geological Survey.

While the two laws are alike in establishing federal control of the use of water, they differ in that, under the American law the construction is carried on by public money, the cost being chargeable against the lands benefited. Under the Canadian Act construction is carried on by individuals or companies, but strictly under control of the Government which controls the general plan of the works and prescribes the amount of water which may be diverted at a given place, the quantity which may be used for watering a given acreage, and the price which may be charged to the settler for it. The Company is compensated for its work by an allowance on the price of the land sold.

The Alberta Railway and Irrigation Company, organized in 1898, has an extensive canal system from St. Mary River. They have also a canal by which water may be taken from Milk River, but this has not yet been put in operation.

One of the projects of the United States Reclamation Service is the diversion of water from St. Mary River to irrigate land chiefly situated in the lower Milk River region. The canal for this purpose may either discharge into Milk River, whose natural channel would be utilized to carry the water through Canada to where it is to be used, or by a more southern route.

Fears have been expressed that this diversion may prejudicially affect the present settlements on the Alberta Railway and Irrigation Company's lands in Canada, or the future development, which may, in the natural course of things, be expected in that region, and the matter has been the subject from time to time of diplomatic exchanges between Ottawa and Washington, but no basis of agreement has yet been reached.

The United States authorities ceased work upon their canal connecting the St. Mary River in their own territory with the Milk River, because of the assertion of the Canadian right to intercept the flow of the water of the Milk River while passing through Canada. An exceedingly nasty complication would have arisen if, after the United States authorities had spent a very large amount of money diverting the waters of the St. Mary into the Milk, the same had been intercepted in Canada. It was a dangerous question and one which it was exceedingly desirable should be settled. The treaty provision is eminently just to the people of both countries:

1. It treats the waters of the two rivers as if one stream for the purposes of irrigation and power.

2. It apportions such waters equally between the two countries, subject to the prior right of the United States to 500 cu. ft. per second of the waters

of the Milk River, or so much of that amount as constitutes three-fourths of the natural flow, and subject to the right of Canada to a similar prior appropriation with regard to the flow of the St. Mary River. The United States have for years been using the waters of the Milk River for the purpose of irrigation in the lower Milk River valley in Montana and claimed the right to continue such use on the principle of first diversion. The Treaty practically recognizes this right, but gives Canada an equivalent in the use of the waters of the St. Mary River.

3. Permission is given to the United States to use the Milk River as a channel for the conveyance of their share of the St. Mary, subject to a provision by which they assume damages for any injury caused, by reason of such use, to property in Canada.

4. The measurement and apportionment in case of dispute is left to the Joint Commission so that there is a final settlement of the whole difficulty.

Article VII

"The High Contracting Parties agree to establish and maintain an International Joint Commission of the United States and Canada composed of six commissioners, three on the part of the United States appointed by the President thereof, and three on the part of the United Kingdom appointed by His Majesty on the recommendation of the Governor in Council of the Dominion of Canada."

Article VIII

Article VIII settles the principles which shall govern the Commission in dealing with cases arising under Articles III and IV. The Treaty establishes certain rules of international law and gives the Joint Commission authority to apply them. The Article first adopts the principle of equal and similar rights in the use of boundary waters. After acknowledging the primary right of use for domestic purposes, the interests of navigation, including the service of navigation canals, are made paramount. As to any surplus waters that may be used for power or irrigation purposes, the principle of equal division is applied. This was the principle adopted by the International Waterways Commission and is the only one which could be justified. The same water finds its way from Lake Superior to the sea. There is no right of property but only a right of use. The proportion constantly varies and the proportion which each would therefore be entitled to divert upon the principle of natural flow would depend in each case upon the point of measurement. In the St. Mary's River at Sault Ste. Marie, for instance, above the crest of the rapids the larger volume is on the Canadian side, at the crest it is about even, while below in the rapids themselves, perhaps 65% is upon the United States' side. So in the Niagara River some distance above the crest of the rapids the larger volume is on the United States side while at the crest of the Falls seven-eighths is upon the Canadian side.

Riparian rights on one side are no restriction upon the right of user upon the other. Without some arrangement each within its own territory would divert or use the waters flowing over its own land.

New conditions have been created in recent years, (1) by a demand for the use of flowing water for power purposes, (2) by the necessity of maintaining the lake levels. Before the importance of maintaining the level of the lakes was fully appreciated, Chicago was, without protest, permitted to divert 10,000 cu. ft. per sec. to the serious injury of navigation interests. The effect of the diversion was to lower the level of the whole system below Lake Michigan. The level of Lake Erie was lowered between four and five inches and the earning capacity of vessels operating the system was seriously impaired, the loss being estimated at over one million dollars a year.

A ceaseless conflict has arisen between those who would maintain the integrity of the lake level and the insistent interests which would seek to divert the waters for power purposes. Before the formation of the International Waterways Commission all was confusion. At Sault Ste. Marie, in Michigan, the Lake Superior Development and Power Company built a canal capable of taking one-half the total flow. Charters innumerable had been applied for and many were granted in New York State and Ontario to divert the waters of the Niagara River without regard to the level of the lake. In Canada a charter had been applied for to take water from Lake Erie to the escarpment near Jordan, and another company sought to turn the waters of the Niagara into the Welland River and thus make a new out-let at a point near St. Davids. One American corporation sought leave to create a new channel by excavating on the United States side of the boundary in the Niagara River. Vessel interests became alarmed and brought pressure to bear upon the Congress of the United States which resulted in the passing on the 13th June, 1902, of The Rivers and Harbours Act, which contained the following provision, namely:

> The President of the United States is hereby requested to invite the Government of Great Britain to join in the formation of an international commission, to be composed of three members from the United States and three who shall represent the interests of the Dominion of Canada, whose duty it shall be to investigate and report upon the conditions and uses of the waters adjacent to the boundary lines between the United States and Canada, including all of the waters of the lakes and rivers whose natural outlet is by the River Saint Lawrence to the Atlantic Ocean, also upon the maintenance and regulation of suitable levels, and also upon the effect upon the shores of these waters and the structures thereon, and upon the interests of navigation by reason of the diversion of these waters from or change in their natural flow; and, further, to report upon the necessary measures to regulate such diversion, and to make such recommendations for improvements and regulations as shall best subserve the interests of navigation in said waters.

It at once became manifest to the Commission that if the integrity of the lake system was to be maintained it could only be done by some treaty arrangement. As long as the States and Provinces adjacent to the boundary had power to grant such charters influenced by local interests and without

any controlling principle, the whole lake system was in danger of destruction. A treaty was essential to the permanent maintenance of the levels. The interests at stake were international. An agreement between the two nations as to the principles which should govern was essential, and the creation of a joint board to enforce the rights agreed upon necessarily followed.

Modern conditions require vessels of great draft. The tonnage is constantly increasing, that passing through the St. Mary's Canals has doubled in twelve years, and with the development of our North West, the increase is sure to continue. The maintenance of this great international highway is essential to the development of the Great West. Under the terms of this treaty, the Joint Commission will control diversions so as to fully conserve navigation interests.

Article IX

Article IX is a step in advance of anything previously attempted in the way of providing for the settlement of international disputes. Its importance cannot be over-estimated. In it the Commissioners are half Canadians and half appointed by the United States. To this Board either nation may demand that any matter of dispute arising along the frontier may be referred. The Board are to have the powers of a Court with full facilities for getting at the truth with regard to matters referred to them. The Board is permanent in its character and its members are not appointed for the special purpose of accomplishing certain results; on the contrary, they are sworn to faithfully and impartially perform the duties imposed upon them. The International Waterways Commission have given evidence as to the value of permanency in such bodies, a temporary advantage in such a Court is no gain; fair play is essential to its continuance and its experience has shown that there is not very much trouble in reaching the true solution when no other is sought by either side.

The Commission will relieve Great Britain from the responsibility of intervening in the settlement of a lot of petty matters and robs such disputes of their significance as matters of international importance. After the disputants have threshed the matter out before such a Court and a report has been furnished to the respective Governments with findings upon the facts and advice as to the action that shall be taken, if any, there will be little room left for international complication.

Article X

Article X creates this same Board a Board of Arbitration to whom, by consent of both countries, any matter of a similar character may be referred for final determination, the Hague Tribunal, if necessary, selecting an umpire.[1]

[1] Gibbons furnished no notes in this memorandum for Articles XI, XII, XIII and XIV.

517. *Ambassador in United States to Governor General*

CONFIDENTIAL DESPATCH 20

Washington, January 30, 1909

My Lord,

I have the honour to report that the Treaty for the settlement of the international waters and other boundary questions between Canada and the United States has encountered considerable opposition in the Senate.

After it had been favourably reported by the Committee it was supposed that it would be approved without further question, but it was learned that opposition would be raised to it by Senators representing boundary States. Although the opponents were few in number and their objections would, to a dispassionate and reasonable mind, appear unworthy of consideration, yet the rules of procedure in the Senate or rather the traditions which they have formed and to which they sacrifice the public interest enable one or two obstinate opponents to block any measure and possibly even to wreck such as have not much driving power behind them. The Treaty has now been under discussion in "executive" (i.e. secret) session on some four different occasions and the full position of its opponents has now been fairly well developed. Its principal opponents are Senators Smith of Michigan, Nelson and Clapp of Minnesota, and Heyburn of Idaho. Senator Smith's contention is that the water power of the St. Mary's River at the Sault Ste. Marie should be specifically divided between Canada and the United States. In this he received support from Senators Teller of Colorado and others probably principally for partisan reasons. A further contention raised is that the respective rights of the two countries in the waters of the Great Lakes ought to be more definitely determined. The defence of the Treaty has been conducted by Senator Lodge and the fact that already two whole days have been devoted to its discussion shows a determination on the part of the Administration to ensure the opposition having time to exhaust itself which is the only means of driving a measure through the Senate. On the last vote taken it is reported that the Treaty was still eleven votes short of ratification.

If there appears to be any risk of opposition spreading and becoming dangerous, I am confidentially informed that the debates will be suspended until Mr. Root's return to Washington or if necessary until he takes his seat in the Senate or in the Committee on Foreign Relations to which it is assumed he will be at once elected.

So far I have not seen in the newspapers here anything to indicate that the objections which, as I understand, certain sections of opinion are disposed to take to the Treaty have as yet become known. I have remarked to several Senators that as there are those in Canada who profess to be dissatisfied because she has not got enough, it is reasonable to suppose that what extremists on both sides disapprove for opposite reasons is substantially fair and just between the countries.

I have etc.

JAMES BRYCE

518. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM 11 Washington, February 3, 1909

CONFIDENTIAL. Boundary Waters Treaty. Am informed by Secretary of State that strong opposition has suddenly arisen in Senate to this Treaty owing to fear that an export duty will be put on power transmitted from Canada to United States side of Niagara River, thereby preventing use of such power in United States which had been expected. This is feared apparently both in respect to power which is now transmitted and what may in future become transmissible. Agitation reported from Ontario of persons there already demanding imposition of export duty, and of others on United States side, is the cause of the trouble. This has aroused opposition. At the moment this new question arose today United States Government had been confident of overcoming opposition to treaty. Doubtless United States Government would welcome any statement from your Government should there be disposition to give one, but so far they have not suggested it to me. It is alleged here, I understand, that Canada was allowed additional power in the belief that part of it would be transmitted to the United States.

BRYCE

519. *George C. Gibbons to Prime Minister*

PRIVATE

My dear Sir Wilfrid, London, Ontario, February 18, 1909

Between all the fires I am distraught. When I was asked to undertake the negotiation of this treaty I was told that our then position was helpless; that the Americans simply did as they pleased, and that unless some arrangement was made would continue to do so.

I found no established rule of international law which would protect private interests in one country injured by diversions in the other. I sought then to make one which was all to our advantage, and Mr. Bacon[1] made the concession which we have in Article II, and which everyone which I have consulted in the matter, save yourself, thinks is a first-class protection.

I had, as I told you before, in getting this concession to agree that we would not raise the exceedingly doubtful plea of the Treaty of 1842. There was no point in making an issue over that Treaty whatever.

As we reserved the right to object to any interference with navigation and as the waters that would be affected are boundary waters, the Americans are just as much interested in protecting them as we are and are, I am bound to say, very much more particular about non-interference than are we. They promptly closed the intakes on the American side of the Soo last year when the water was low and have made the most ample provision in their regulations for the protection of public interests.

[1] Robert Bacon, United States, First Assistant Secretary of State, 1905-1909, and temporarily Secretary of State in 1909.

Am I to understand you now as repudiating my arrangement? If so, of course, I must communicate it to the other side and that will end the Treaty. Tremendous pressure has been brought on their side in opposition to this Article II. Senator Nelson, of Minnesota, is strong in opposition. The Senators from Minnesota and Vermont all oppose it as inflicting an additional obligation on them which does not exist under present law.

If this Treaty is abandoned, I repeat, another treaty of the like will never be obtained. Not a line of the Treaty from its opening to its end but is to our advantage. Without some arrangement trouble in the very immediate future is absolutely certain.

Yours truly,

GEO. C. GIBBONS

520. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM 15 Washington, February 20, 1909

SECRET. Boundary Waters Treaty. Opposition Michigan to this Treaty owing to view that it might be construed so as to deprive existing interests at Sault Ste. Marie of present use of waters, has convinced Secretary of State that, unless a resolution is accepted declaring the construction which the Senate puts on Article VIII, the Treaty cannot be got through the Senate before March 4. Proposed resolution is as follows:

> Resolved further (as a part of this ratification?), that the United States approve Treaty, with the understanding that nothing in this Treaty shall be construed as affecting or changing any existing territorial or riparian rights in the water, or rights of owners of lands under water on either side of the international boundary at the rapids of St. Mary's River in the use of waters flowing over such lands, subject to requirements of navigation in boundary waters and of navigation canals; and further, that nothing in this Treaty shall be construed as interfering with drainage of wet swamps and overflowed lands into streams flowing into boundary waters, and that these interpretations will be mentioned in the ratification as conveying the true meaning of the Treaty and will in effect form part of the Treaty.

As this only interprets the meaning of Treaty where obscure, the Secretary of State hopes that your Government will see no objection to the acceptance of this; he states as follows:

> Effect of application of the words 'equal and similar' in paragraph 2, of Article VIII, and of words 'equal division' in paragraph 5 of that article, to existing conditions at rapids of the St. Mary's River having given rise to doubts and clear understanding on the point being (advisable?), Senate resolution is intended to remove any ambiguity.

Reference to [garbled] lest it should be supposed that Article II creates a liability in respect of such drainage. I have telegraphed Gibbons suggesting that he should go forthwith to Ottawa to consult Your Excellency's Ministers. It is believed that he understands Treaty in the sense put on it by the proposed resolution, which seems, putting Articles III and VIII together, to be natural sense as applied to Sault Rapids. Except undertaking to transmit the above to Your Lordship, I have done nothing, but having regard to the

value of the Treaty, there seems to be no harm in our expressing our assent in the ratification to what is an interpretation and not an amendment. Secretary of State begs for an answer at latest before Tuesday morning.

BRYCE

521. *Governor General to Ambassador in United States*

PARAPHRASE OF TELEGRAM Ottawa, February 23, 1909

SECRET. . . . Gibbons does not favour proposed rider to the Treaty, and my Government feel that, in justice to themselves, they must have time to consider question.

GREY

522. *Governor General to Ambassador in United States*

PARAPHRASE OF TELEGRAM Ottawa, March 1, 1909

Will not object to understanding embodied in proposed resolution, if words following are inserted: "and without prejudice to the right of Canada to take, within its own territory, not exceeding one-half of the total amount of the waters flowing from Lake Superior into the St. Mary's River available for power purposes."

GREY

523. *Governor General to Colonial Secretary*

SECRET AND CONFIDENTIAL DESPATCH Ottawa, March 1, 1909

My Lord,

I have the honour to inform Your Lordship that the last difficulty in the way of a settlement with the United States on the subject of the International Water Boundaries Treaty, appears to have been removed.

I have just been informed by Sir Wilfrid Laurier that the Dominion Government approves the arrangement arrived at with Mr. Root, at New York, by Mr. Bryce and Mr. Gibbons, with reference to the interpretation of Article II desired by the Senate.

I am telegraphing the assent of His Majesty's Canadian Government to Mr. Bryce, in the hope that it may be possible to obtain the ratification of the Treaty by the Senate before the 4th of March.

Apart from the advantages resulting from the removal from the field of international controversy of many questions pregnant with the possibilities of future trouble, the Treaty would appear to secure for Canada the following benefits:

(1) The right of free navigation of all channels from main shore to main shore.

The right to the free navigation of some of these channels, which was doubtful before, is confirmed by the Treaty now before the Senate.

It is important that no allusion should be made to this benefit, as it is obviously undesirable that there should be any implied admission on the part of the Canadian Government that this right to free navigation may possibly lapse with the Treaty.

(2) The right of free navigation of Lake Michigan. The Union Jack will sail through, free and unimpeded. As Canadian vessels are now held up, sometimes for twelve hours or more, by the necessity of obtaining a passport, this right of free navigation on Lake Michigan will be of great benefit to the transportation service to and from Montreal.

(3) By Article II protection is secured to private interests in the event of their receiving damage through the diversion of rivers in the United States. As the United States, in the exercise of their sovereign rights, can divert their waters without compensating Canadian interests injuriously affected, the obligation to compensate Canadian interests in the event of such diversion causing them damage, will give to Canadians remedies which they did not have before.

(4) The establishment of fixed principles governing the use of all boundary waters, in the interest of both sides, is of the greatest advantage to all concerned.

I may remind Your Lordship that the establishment of fixed general principles for the guidance of the Commission was insisted upon by Sir Wilfrid Laurier from the outset, as a necessary basis of negotiations. When I was at Washington last April, I was led to understand by Mr. Root that this demand of Sir Wilfrid Laurier would prove a fatal bar to the hopes of arriving at any arrangement between the two countries. It is owing to the firm and dignified refusal of Sir Wilfrid Laurier to be a party to any negotiations with regard to the international settlement of this boundary water question, except on the basis of established fixed principles, to the fairness of this demand, to the influence of Mr. Root, and to the altered sentiment in the United States towards Canada, that the Senate have been induced to approve the principle of the Treaty now awaiting ratification.

(5) The equal division of surplus water between the United States and Canada, apart from the benefit secured to both nations by the adoption of the principle of equal treatment, is of special advantage to Canada in certain places, where I am informed by Mr. Gibbons not more than one-fifth of the water is on the Canadian side.

(6) In the arrangements made for regulating the flow of the St. Mary and Milk Rivers, the interests of Canada would appear to be carefully and generously guarded by the Treaty.

(7) Finally, the creation of a Commission to which all points of difference of any kind, arising on any subject at any point along the frontier, can be referred by either side for advice, and by consent of both sides, to arbitration, with the Hague Tribunal naming an umpire is, it is unnecessary to point out to Your Lordship, a contribution of the highest importance and value to the security and continuance of friendly relations between Canada and the United States.

I have asked Sir Wilfrid Laurier to supply me with an official report by Mr. Gibbons of the part taken by him, in conjunction with Mr. Bryce, in the negotiations with Mr. Root and the officers of the Government of the United States. As soon as I receive this report I will forward it to Your Lordship.

I have etc.

GREY

524. *Ambassador in United States to Governor General*

DESPATCH 34 Washington, March 5, 1909

My Lord,

As reported to Your Excellency in my telegram No. 24, of the 4th instant, the ratification of the Boundary Waters Treaty was yesterday approved by the Senate, with the proviso of which I have the honour to enclose a copy.

Mr. Bacon made many efforts up to the last moment to induce Senator Smith of Michigan to agree to the proviso as drafted in the conference between Mr. Root, Mr. Anderson, Mr. Gibbons and myself at New York on February 26, but in vain, and ultimately felt himself obliged to accept the proviso insisted on by Mr. Smith rather than let the agreement stand over for the new Administration to deal with, with the risk that the whole subject matter of the Treaty might be reopened if it was submitted afresh to the Senate and debated afresh in the Foreign Relations Committee. It would, I understand, be in the power of the Senate, if the Treaty were resubmitted, to vary the terms of its resolution which has now approved its ratification, but the Secretary of State seemed far from sanguine as to the success of this course. Should Your Excellency's Ministers desire it, I will do my best to find out what the probabilities are regarding the action likely to be taken by the Senate on a withdrawal and resubmission of the Treaty. I cannot, however, say that what Mr. Bacon tells me gives much hope that steps could be taken usefully in that direction, while Mr. Root declares that although he would do his best if the Treaty were resubmitted to secure its passage in the original form, or as near thereto as possible, he feels no confidence that this could now be effected.

I discussed with the Secretary of State the possibility of clearing up the ambiguity of the proviso by giving an official assurance that the Government of the United States adhered to the principle of the equal division of the water of the St. Mary's River, but he did not consider himself at liberty to adopt my suggestion, for two reasons. In the first place, he did not consider that such an assurance would be binding on his successors, and in the second place, the Senate would resent what would, if it were deemed binding by future Administrations, amount to an agreement made without their consent.

I have etc.

JAMES BRYCE

P.S.—I ought to add that Mr. Bacon and Mr. Root and Mr. Knox also have done their very best for the Treaty, and it is in no way the fault of the Administration that Mr. Smith's amendment was adopted. Mr. Root continues to hold and support by forcible arguments the view that whatever Senator Smith may have intended, the effect of his amendment does not really prejudice the claims and interests of Canada, but is quite as favourable to her as would have been the arrangement agreed to at New York and accepted by Your Excellency's Government.

[ENCLOSURE]

Resolution of the Senate of the United States

March 3, 1909

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty between the United States and Great Britain, providing for the settlement of international differences between the United States and Canada, signed on the 11th day of January, 1909.

Resolved further (as a part of this ratification), That the United States approves this Treaty, with the understanding that nothing in this Treaty shall be construed as affecting, or changing, any existing territorial or riparian rights in the water, or rights of the owners of land under water, on either side of the International Boundary at the rapids of the St. Mary's River, at Sault Ste. Marie, in the use of the waters flowing over such lands, subject to the requirements of navigation in boundary waters and navigation canals, and without prejudice to the existing right of the United States and Canada, each to use the waters of the St. Mary's River, within its own territory; and further, that nothing in this Treaty shall be construed to interfere with the drainage of wet, swamp, and overflowed lands into streams flowing into boundary waters, and that this interpretation will be mentioned in the ratification of this Treaty as conveying the true meaning of the Treaty, and will, in effect, form part of the Treaty.

525. *Ambassador in United States to Governor General*

DESPATCH 37 Washington, March 10, 1909

My Lord,

Having now received back from Mr. Root my memorandum embodying my conversation with him and Mr. Bacon I have the honour to send it to you for the information of yourself and your Ministers and I send also a letter which I have just received from Mr. Root which while substantially confirming the memorandum puts some of the points in slightly different words.

I have shown this letter to Secretary Knox and he authorises me to say that he agrees with its view of the law and of the effect of the Resolution. In

a conversation this afternoon Secretary Knox observed to me that he was quite clear that the resolution did not affect any part of the boundary waters except the Sault Ste. Marie and that there it did nothing more than save the private riparian rights, whatever they may be, on both sides of the river.

He thought that Canadian interests would not suffer and remarked that the whole question would very soon become an academic one, because under the Rivers and Harbours Act just passed the United States Government would acquire the land and riparian rights of the power company.

I have etc.

JAMES BRYCE

[ENCLOSURE 1]

Memorandum

In a long conversation which I had last night with Mr. Bacon, who had not then quitted the office of Secretary of State, and with Mr. Root, who is now Senator for New York, the legal meaning and effect of the Senate Resolution approving the Boundary Waters Treaty were fully and minutely discussed in their bearing upon the Treaty as a whole. I summarize herewith the results of this discussion, which of course must be regarded as confidential, Mr. Root having quitted office. Mr. Bacon and Mr. Root were anxious that it should be understood that the United States Government had done all in its power to pass the Treaty without any interpreting or qualifying Resolution at all. The difficulty had arisen because certain private interests conceiving themselves to be affected had taken advantage of, and entrenched themselves behind, certain State rights supposed to be involved and had by appealing to those State rights obtained on general constitutional grounds the support of a number of Senators specially pledged to the defence of the rights of the several States against the National Government. This opposition had prevailed because in the closing days of the session it was impossible to make progress against the resistance of even a few Senators. It had, however, been deemed better in the interests of the Treaty, the general provisions of which were deemed to be an extremely valuable one for both countries, to pass it now with the Resolution rather than to take the chances of withdrawing it and submitting it afresh to the Senate later.

They conceive that the Resolution does nothing more than take out of the operation of the Treaty the riparian rights and rights over the land under water therein mentioned. It leaves untouched all other general provisions of the Treaty including that contained in the words "equal and similar rights" in Article VIII. It is merely the safeguarding of one particular private interest in certain land and the water flowing in its natural course over that land, but gives no power of deepening or otherwise altering the channels of flow of the stream so as to bring more water over that land and increase any water rights or interests now enjoyed.

The United States has the right of preventing any interference with the channel or natural flow on the United States side of the rapids, for by Federal Law the Federal Government has control over a navigable river even at particular points at which it is not navigable.

If the United States Government acquires under the recently passed Rivers and Harbours Act the riparian rights of the power company, it could not use those rights to deepen the channel at the rapids for the purpose of increasing the flow on the United States side.

The words "equal and similar rights" in Article VIII would prevent the United States Government from granting leases of water power which would have the effect of taking more than half of the surplus water of the river.

The Resolution exempting existing riparian rights from the operation of the Treaty does not limit the rights of Canada to take water. She may, subject to the provision as to equal and similar rights, take what she likes within her own country so long as she does not affect navigation which is protected by the Treaty as respects the action of both Governments and countries. The obligation regarding navigation applies equally to both countries. The Resolution really does not bind Canada, except in so far as it prevents her from claiming under the Treaty the right to do anything which might affect the riparian rights mentioned. Outside and apart from the Treaty her existing rights remain untouched.

Mr. Root said to me that he believed his letter covered all the points in this memorandum, except one, namely the question of the right of riparian owners to deepen or interfere in any way with the channel. He did not really doubt, he said, that the view conveyed in the memorandum was correct, but he had not had time to go thoroughly into the question. He thinks, however, that there is no right in riparian owners to the natural flow of the stream over or past their land and that in this case the United States Government could prevent their doing so, were they disposed to try.

JAMES BRYCE

[ENCLOSURE 2]

Senator Elihu Root to Ambassador in United States

My dear Mr. Bryce, Washington, March 8, 1909

Your memorandum states correctly my opinion that the Senate Resolution merely takes out of the operation of the Waterways Treaty the riparian rights and rights incident to the ownership of land under water therein mentioned, leaving the provisions of the Treaty operative except as they would interfere with those of rights of ownership. This, of course, leaves the "equal and similar rights" provision in Article VIII binding upon both Governments so far as the exercise of those rights of ownership is not involved.

If the United States should acquire the rights of the present riparian owners it would, I suppose, take the same right now preserved to the present owners, but could not go beyond them except under the limitations of the Treaty.

I have no doubt that the right of the United States to protect navigation applies to the waters of the rapids in the St. Mary's River on our side of the boundary and authorizes the United States Government to control any attempted changes from the natural conditions of the land under water there.

This expression of opinion is, of course, entirely personal, as I now hold no official position which empowers me to speak otherwise than personally.

ELIHU ROOT

526. *Colonial Secretary to Governor General*

DESPATCH 247
Downing Street, April 10, 1909

My Lord,

With reference to Mr. Chamberlain's despatch No. 177, of the 15th of May, 1903, I have the honour to transmit to Your Excellency, to be laid before your Ministers, copy of a note from Mr. Bacon to Mr. Bryce on the subject of the claim of the Canadian Government as to jurisdiction in Hecate Strait.

2. The question has also formed the subject of discussion in the United States press, and I shall be glad to learn as soon as possible the views held by your Government on the matter.

I have etc.

CREWE

[ENCLOSURE]

Secretary of State of United States to Ambassador in United States

Washington, March 3, 1909

Dear Mr. Bryce,

It appears from the records of the Department that on March 20th, 1897, the Department wrote a note to Sir Julian Pauncefote, then the British Ambassador at Washington, bringing to his attention the complaint made by the master of the fishing vessel *Edith* in which it was charged that the Master had been warned by the Commanding Officer of a Canadian Fishery Protection Cruiser, the *Quadra* that "United States vessels are not allowed to fish anywhere in Hecate Strait or in any other territorial waters of the province of British Columbia." A copy of the Master's affidavit and of the notice given him by the Commander of the *Quadra* was transmitted with the note to the Embassy, with the following observation:

> Hecate Strait appears on the charts as the most northerly portion of Vancouver Straits, an open arm of the Pacific Ocean, lying between Graham and Moresby Islands and the mainland, and joining the open sea waters of Dixon Entrance on the north with Milbank Sound on the south. At the narrowest part this thoroughfare is twenty-eight miles wide and for the most part is much wider.

As this is the first information that has come to my knowledge that these open waters of the Coast may be claimed to be territorial possessions of British Columbia, I have the honour to invite attention to the circumstances in the confident belief that the notice so served upon an American shipmaster, pursuing a lawful calling in those Pacific waters will be found to have origin in a misapprehension of the facts which will be promptly corrected.

On March 24th, 1897, Sir Julian acknowledged the receipt of the above note and stated that he had referred the matter to the Foreign Office. It does not appear, however, that any further answer was ever received from the Embassy or that any other correspondence respecting this particular case ever took place. Subsequently, however, in 1905, another complaint having been made to the Department, Secretary Hay on February 18th of that year addressed a note to Sir Mortimer Durand, recalling the correspondence in 1897, and inquiring if the Foreign Office has ever made any reply. No answer appears to have been received to this note.

The Department is now in receipt of further complaints of a character similar to those of 1897 and 1905. I should be glad therefore if you would recall the former inquiry to the attention of the Foreign Office with a view to securing some official statement as to the British position with respect to Hecate Strait.

Faithfully yours,

ROBERT BACON

527. *Ambassador in United States to Governor General*

DESPATCH 57

My Lord, Washington, April 28, 1909

I have the honour to transmit herewith copy of a despatch which I have addressed to His Majesty's Government in regard to the boundary in Passamaquoddy Bay.[1]

Mr. King[2] will doubtless have reported to the Dominion Government the results of his discussion with Mr. Chandler Anderson, which tended to an agreement that the line should follow the main navigable channel thereby assigning one of the disputed points to Canada, i.e. the fishing grounds below Lubec Narrows, and the other the barren island known as Pope's Folly, to the United States. I understand, however, that another line was also discussed by which the boundary would run, not along the navigable channel below the narrows but across the fishing grounds in a direct line. Pope's Island would then as in the other case fall to the United States and the greater part of the

[1] The International Boundary Demarcation Treaty of 1908 provided, in Article I, that Commissioners be appointed for defining and marking accurately the remaining portion of the international boundary line through Passamaquoddy Bay. It provided further that the question would be referred to an arbitrator for final decision in the event of a failure on the part of the Commissioners to reach an agreement within a specified length of time.

[2] Dr. William F. King was the Chief Astronomer of Canada and Boundary Commissioner.

fishing grounds to Canada. The reason which was suggested for this second plan is (I understand) greater convenience in drawing the line, and also in order that certain fishery installation owned by citizens of the United States may remain on their side of the line.

Inquiries are now being made locally by the United States authorities preliminary to a proposal to be made by them on the lines of this second alternative.

Should the Dominion Government, however, prefer a line which, as in the first alternative would follow the navigable channel, thereby assigning to Canada all the fishing grounds, and should they be willing to make an arrangement by which private titles to fishing installations would be secured, it is possible that with a little pressure the assent of the United States Government to the first alternative might be secured. In this case I should be glad if you would inform me at the earliest possible moment, by telegraph if convenient, to this effect, in order that further loss of time in working out the other alternative may be avoided. If the question is to be settled by an agreement instead of by reference to arbitration under the terms of the treaty, only a month remains to effect such an agreement, and it is obviously undesirable to resort to arbitration in a matter of such comparatively small importance if it can be arranged directly and amicably between the parties.

I have etc.

JAMES BRYCE

[ENCLOSURE]

Ambassador in United States to Foreign Secretary

DESPATCH 98

Sir, Washington, April 27, 1909

Article I of the Treaty for the delimitation of the boundary between Canada and the United States is to the effect that the disputed points of the boundary in Passamaquoddy Bay are to be referred to arbitration if an agreement be not reached within a year after ratification.

This year expires within five weeks from now, viz., on June 4th and the arguments on either side having been duly exchanged as provided in the same article it devolved on either party to endeavour to reach an agreement by negotiation. The issues involved were apart from considerations of sentiment practically unimportant. When the line was drawn in by Mr. King, Commissioner for Canada and the Commissioner for the United States in 1895 no agreement was reached in regard to an island named Pope's Folly and a tract of shallow water described as submerged flats, further down the bay. The island is a prominent object but waterless and worthless whereas the flats have a value as fishing grounds which have, however, much deteriorated of late.

Mr. Chandler Anderson has been deputed by the Secretary of State as his representative in the matter, and when I recently ascertained by chance

that Mr. King was in Washington for the purpose of arranging the delimitation of other sections of the boundary I obtained from the Dominion Government authority for the latter to discuss the matter and arranged a meeting at the Embassy between him and Mr. Anderson.

In such a case where two matters of about equal value were at issue the basis of a compromise was sufficiently obvious. The preferences of the two parties and also considerations of convenience in drawing the line seemed to indicate that Canada should take the fishery and the United States the island. This has appeared likely to prove acceptable to both parties and inquiries are now being made by Mr. King and Mr. Anderson as to the details of a delimitation which should proceed upon this principle on these conditions. There seems to be a fair prospect that an agreement will be reached which will prove acceptable and will secure for Canada what may prove satisfactory to her.

In such an event the matter will be definitely disposed of and the line will be demarcated as in the other now happily undisputed sections of the boundary.

I have etc.

JAMES BRYCE

528. *Ambassador in United States to Governor General*

DESPATCH 61

My Lord, Washington, April 30, 1909

With reference to my telegram No. 39 of today's date, I have the honour to transmit to Your Excellency herewith a copy of a Note Verbale which I have received from the State Department, to the effect that the American Ambassador in London has just been [instructed] to endeavour to obtain a clear statement of the position His Majesty's Government in regard to the question of fishing rights in Hecate Strait.

It would appear that the subject was raised by Mr. Sherman in 1897, and again by Mr. Root in 1905, and that no reply was ever returned on either occasion. The matter was again mentioned by Mr. Bacon in a semi-official or private letter, dated March 3, received after the Administration of Mr. Roosevelt had ended.

I do not find in the Archives of the Embassy anything to indicate what is the position taken up by Your Excellency's Government on the subject.

I have etc.

JAMES BRYCE

[ENCLOSURE]

NOTE VERBALE

The Department of State, recognizing that the non-settlement of the question of fishing rights in Hecate Strait, in regard to which it has addressed the British Embassy, either formally or informally, on three occasions, leaves the way open for a disagreeable incident at any time between the people of the

State of Washington and British subjects in British Columbia, has instructed the American Ambassador in London to endeavour to obtain a clear statement of the position of His Majesty's Government in regard thereto, in order that a knowledge of that Government's view may enable the Government of the United States either to close the question or to enter upon such friendly discussion as may lead to its settlement.

Washington, April 28, 1909

529. *Memorandum of Minister of Justice on proposed treaty between Great Britain and United States regarding waters between United States and Canada*

Ottawa, May 27, 1909

CONFIDENTIAL

Article I deals with navigation. It provides that the navigation of all boundary waters shall, for the purposes of commerce, be free to both countries equally.

Lake Michigan is specially mentioned as included. This will be of great practical advantage to Canadian vessels trading between Chicago and Georgian Bay ports. All such vessels have now to stop at Mackinaw, and wait there as long as may be necessary to obtain permission to enter Lake Michigan. If the Treaty is entered into, this annoyance will be removed.

Article I would secure to Canadian ships the right to use all artificial channels now or hereafter made, in boundary waters on the United States side of the boundary. There is room for doubt whether Canadian vessels could, without the proposed Treaty, claim this privilege as a right, except in certain named places, which have been provided for in former Treaties.

In originally locating the boundary through the Great Lakes, the principle on which both parties proceeded was that each should have the right of navigation from the highest navigable source of the lakes to the sea; but in subsequent Treaties there have been at different times special stipulations entered into by which that right is specially affirmed in favour of one country or the other, in regard to some particular link in the chain, and that circumstance gives room to question whether the principle which was originally had in view is to be now considered as applicable to other parts of the chain which have never been specially mentioned.

In this view, the general provisions of Article I in the proposed Treaty may be of very great consequence to Canadian shipping interests.

During recent years, the channels of navigation have been in some places greatly altered by artificial improvements made mainly by the United States within their own territory. The Hay Lake Channel and the Neebish Channel, in the St. Mary's River, between Lake Huron and Lake Superior, may be specially mentioned. These new channels have opened a new route four feet deeper and some miles shorter than that previously available.

The United States Government is now at work upon the new Livingston Channel, in the Detroit River, and is proposing to construct a third ship canal at Sault Ste. Marie.

Article II of the proposed Treaty deals with waters which, in their natural channels, would flow across the boundary, or into boundary waters. Each country reserves to itself exclusive control over the use and diversion of such waters on its own side of the boundary, and, therefore, if the Treaty is entered into, Canada would forgo any right to protest against the diversion within United States territory of a stream which naturally would cross the boundary. But it would seem inconsistent with the dignity of any independent sovereign State that it should consent to limit its control over waters within its own territory, even if such waters afterwards flow across the boundary line into another country. Rivers are part of the territory of the State in which they flow, each State owning that part of the river which runs through its own territory. Where a river runs out of one country into another, any obligation there may be upon the up-stream country not to interfere with the natural flow must be a mere matter of comity between nations. A breach of such comity would seem no more than a discourtesy which, if persisted in, might warrant similar action by the injured State, but could not justify recourse to war.

As a matter of comity, all that one State could expect from another friendly State in regard to private interests injured by diversions of water would be that such private interests should be respected. Canada could scarcely ask that its landowners, with respect to their private rights, should have greater protection than would be given to landowners similarly affected within the United States itself. It would not be politic that either the United States or Canada should agree to an absolute prohibition of its right to make diversions of water which might be of great public advantage solely because private interests in the other country might be injuriously affected thereby.

If any diversion within the United States was of sufficient public advantage to warrant the Government in permitting it, down-stream landowners within the United States could not ask any greater protection than compensation for the injury they would suffer. Down-stream landowners within Canada are, by Article II of the proposed Treaty, given exactly this measure of protection, and it seems all that could fairly be asked.

Without this Article, private interests in Canada which might be injured by diversions within the United States would be wholly without remedy. Under the proposed Treaty, the owner of lands within Canada will have precisely the same remedy as though such lands lay within the United States. He could not obtain an injunction to restrain the proposed diversion, but neither could the owner of down-stream lands within the United States, because the diversion could not be made except under authority from the Government.

It is to be noticed that the right is reserved to object to any diversion the effect of which would be materially to injure navigation interests.

Article III is very valuable, and seems absolutely fair to both countries. It strictly prohibits any new uses, obstructions or diversions of boundary waters, which would affect the natural level or flow of such waters on the other side of the line, except by Government authority and "with the approval of the Joint Commission."

In view of the apprehension which the construction of the Chicago Drainage Canal has occasioned in some quarters, this Article in the proposed Treaty seems of special present importance. It would prevent any further diversion of lake water through such canal without the approval of the Commission, if such further diversion would affect the natural level or flow of boundary waters within Canada. Similarly, the Article would prevent like diversions anywhere along the boundary. Without such a stipulation there would be nothing to prevent the United States diverting into the Erie Canal, or for power purposes, the whole Niagara River, and possibly inflicting thereby enormous injury upon Canadian shipping interests in Lake Ontario or the River St. Lawrence.

It has been suggested that the proposed Article III would not prevent further diversions for the Chicago Canal, because it is stipulated that its provisions are not to interfere with the ordinary use of boundary waters for domestic and sanitary purposes, but it will be observed that it is only "the *ordinary* use of such waters" which is preserved from the operation of the Article.

Article IV is complementary to Article III. It prohibits the construction in either country, without the approval of the Commission, of dams which would raise the natural level of waters on the other side of the boundary.

The Clause next before the last in Article VIII requires the Commission, as a condition of its approval, to secure suitable and adequate protection and indemnity of all interests on the other side of the boundary which may be injured by such dams.

Article V (Niagara). The whole natural flow below the crest of the rapids is approximately 200,000 cubic feet per second. Without the Treaty, it would be practicable for either or both countries to divert for power purposes substantially the whole of this natural flow. That would have meant the destruction of the scenic effect which both countries have an interest in maintaining. Canada could not afford to refuse co-operation in every effort to preserve Niagara Falls. To do so would raise an outcry throughout North America and throughout the world. It was, therefore, important for the existing International Waterways Commission to limit, as far as possible, the amount of water which should be diverted from Niagara Falls for power purposes. It was impossible for the most learned expert to be very positive on the subject, but the Commission concluded, after a good deal of deliberation, that not more than one-quarter of the whole flow could be diverted without serious injury to the scenic effect. This would mean 50,000 cubic feet per second. But existing power plants at Niagara Falls are built capable

of using about 54,500 cubic feet per second, and Article V of the proposed Treaty prohibits any diversion for power purposes exceeding on the whole 56,000 cubic feet per second. These 56,000 cubic feet are divided, 20,000 to the United States and 36,000 to Canada. This apportionment is certainly not unfavourable to Canada. The fact that a diversion of approximately 10,000 cubic feet per second is being made for the Chicago Canal, probably afforded an argument in support of the larger amount Canada is given at Niagara.

It is true that at the Falls much the greater quantity of water flows on the Canadian side of the boundary line. A large portion of the United States half of the River at that point is occupied by Goat Island, but above the Rapids, or at the head of the Rapids, considerably more than one-half the flow is on the United States side, and could be, at that point in the River, secured by United States enterprise if, in the absence of any Treaty, it was desired to divert the water there into the United States.

Article V limits diversion from the Niagara River only "above the Falls." Further development below the Falls would be possible though expensive. Such further development could probably produce within Canada 100,000 horse-power. The 36,000 cubic feet allotted to Canada above the Falls will develop upwards of 400,000 horse-power. If the Treaty is adopted, Canada could, therefore, have, if necessary, some 500,000 horse-power available without destroying the effect of the Falls or of the Rapids below. At the present time there is no Canadian market for one-fifth this amount of electric power, and for probably several years in the future the greater part of any power generated at the Falls must be exported to find its market. Should it be in the future thought that even the 500,000 horse-power practicable would be insufficient for Canadian demands, it might become advisable to abrogate the present Treaty, but in existing conditions the provisions of the present Article V seem ample for Canadian need and to afford adequate protection to Canadian interests.

Article VIII declares the principle which shall govern the Commission in dealing with cases arising under Articles III or IV. The settling beforehand of such governing principles must be of great advantage to Canada. Without such an agreement, each individual difficulty would have to be the subject of independent negotiation. In each such negotiation, Canada would be in peril of being worsted, even though some precedent might exist which should have protected her interests in the individual case under consideration. The establishment beforehand of principles of general application seems, therefore, of vital consequence to Canada, in her relation to the United States, and in this view the value to Canada of Article VIII in the proposed Treaty can scarcely be over-estimated. By this Article, certain rules of international law are, as between Canada and the United States, established, and authority is given to the Joint Commission to apply them. The primary right of use for domestic and sanitary purposes is recognized and the interests of navigation are then made paramount. Any surplus waters in their use for power or for navigation are to be equally divided, each country volun-

tarily limiting to one-half the whole the amount it might otherwise take. No other principle could be justified. The same water flows from Lake Superior to the sea. No right of property in flowing water exists. There is only the right of use in the water as it passes. The proportion of flow on either side of the boundary line constantly varies, and the proportion which each country might take within its own territory would, therefore, depend in each instance upon the particular place. Riparian rights on either side would constitute no restriction to the right of user upon the other, and without some agreement upon the subject each country would have the right, within its own territory, to divert all the water it could get.

Local interests at any point might impair, or even destroy, the interests of navigation in the waters below, with a possible loss, in consequence, of millions of dollars annually.

Already serious conflicts have arisen between those who would, in the interests of navigation, maintain the present lake levels, and those who would seek to divert waters for power purposes. Without some tribunal in control, endless confusion must ensue. At Sault Ste. Marie, on the Michigan side, a power canal has already been constructed, capable of taking one-half the total flow. In New York State, and in Ontario, many charters have been granted, with power to divert the waters of Lake Erie, or the Niagara River, without any regard to the level of the lake, and it is manifest that if the integrity of the lake system is to be maintained, it can be done only by some treaty arrangement. The interests at stake are international and of enormous magnitude. Some convention between the countries is imperative, and nothing could be more fair to both sides than the provisions of the present Article VIII. Modern conditions require vessels of great draught. The tonnage is constantly increasing. The traffic passing through the Canals at Sault Ste. Marie far exceeds that of Suez, and has all but doubled in the last ten years. With the development of Northwestern Canada, this increase is sure to continue, and the maintenance of this great international highway is essential to the development and progress of Western Canada. The rejection of the present Treaty involves the loss of Article VIII, the importance of which to all Canada it is probably impossible for any one adequately to realize at the present time.

Article IX marks a step far in advance of anything previously accomplished, in the way of providing for the avoidance of international difficulties between Canada and the United States, along the common frontier. Either Government is given the right to refer any such difficulty to the Joint Commission for report. One-half the Commission will be Canadians. The Board is given full facilities for getting at the truth. The Board is permanent in character. Its members will not be appointed for the special purpose of some desired result. They will have established principles and precedents to which they will desire to conform, and fair play may reasonably be anticipated in any action of such an international tribunal.

Article X substantially creates an independent or miniature Hague Tribunal for the two countries. By consent, practically any matter of differ-

ence between Canada and the United States may be referred to the Joint Commission for arbitral decision. Such a tribunal would have been of inestimable advantage to Canada in the past, and if established now can scarcely fail to be of Imperial consequence to Great Britain in the future. With international confidence in such a tribunal established, Imperial statesmen in the future could not but have relief from the anxiety and responsibility which otherwise the intervention of Great Britain in many petty, but none the less irritating, matters of interprovincial or intercolonial difficulty, as between Canada and the United States, would inevitably cause, and complications which might otherwise become of even Imperial importance may in all reasonable hope be entirely avoided.

Upon a mature consideration of the whole Treaty, as signed by the Plenipotentiaries, I would strongly urge its acceptance as a fair and just international agreement in which the interests of Canada have been kept in view and are honourably conserved.

The great difficulty in the way of accepting the Treaty is the Resolution adopted by the Senate of the United States in consenting to the ratification of the Treaty, and the practical question at present is whether this resolution so mars the value of the Treaty itself that it ought not now to be accepted. The Resolution relates only to the "waters at the Rapids of the St. Mary's River at Sault Ste. Marie," and at the worst has no greater effect than to cut out of the Treaty altogether this short stretch of flowing water. As against the Treaty coupled with the Resolution, the strongest way of putting it is to consider whether, supposing the Treaty as signed had altogether excluded from its operation the Rapids of the St. Mary's River, Canada would on that account have refused to accept it.

The object of the Resolution is plainly to protect and preserve the existing rights of riparian landowners in Michigan at the Sault Rapids. The Resolution does not profess to create any new rights, or to enlarge existing rights. Its whole scope is to declare that nothing in the Treaty shall lessen such existing rights. It is, therefore, all important to consider exactly what such existing rights are.

Each country is now entitled to use all the water flowing in its own territory, or which can be got to flow there. The Michigan riparian landowner at the Sault Rapids does not now possess any right to prevent the Canadian landowner opposite him from taking, if he can get it, all the water in the Rapids as it flows between them. The Canadian landowner at the Rapids does not depend upon the Treaty for his present right to take, if he can, all the water of the whole River, and, therefore, the Resolution takes nothing from the Canadian landowner and would place no obstacle in the way of such Canadian landowner doing anything he pleased to divert from the Rapids, if he could, every drop of water which the Michigan landowner would otherwise use.

The Resolution in effect, would secure to the Canadian landowner (subject to the requirements of navigation) the right to construct within

Canada such works in the Rapids for the control of the water flow as he might see fit, with the right to use afterwards all the water such works might secure for him.

The whole effect of the Senate Resolution is the saving of such riparian rights as already exist at the Sault. Possibly, the most important such existing right would be the power of any Michigan riparian owner to prevent another Michigan riparian owner, who is higher up the stream, diverting water to his detriment. The Resolution declares that nothing in the Treaty shall affect such an existing right of the Michigan riparian down-stream owner, and in that view seems levelled especially at up-stream riparian owners on the Michigan side itself. At all events, it seems plain that the Resolution cannot have any effect as against riparian Canadian owners at the Rapids, simply because, as against them, the Michigan riparian owners have no existing rights to be preserved.

Above the Rapids, and down to the beginning of the Rapids, the limitation of the Treaty applies. Neither country can take more than half the water, and works to secure an equal division at that point can be constructed, as may be necessary.

Below the Rapids equally the Treaty applies, and no obstruction could, therefore, be placed below the Rapids which might have the effect of increasing the quantity of water on the United States side, even if any such construction would be practicable, or would be permitted by the necessities of navigation.

On 3rd March, 1909, the Act of the United States Congress was approved, under which the Secretary of War is directed to take immediate proceedings for the acquisition of all lands and property of every kind and description, north of the present Ship Canal at the Sault, throughout its entire length, and lying between the said Canal and the international boundary line. It is declared that the ownership in fee simple absolute by the United States, of all such lands and property is necessary for the purposes of navigation, and that the right to the flow of water and other rights, now or hereafter owned by the United States, in the St. Mary's River, shall be for ever conserved for the benefit of the Government of the United States, primarily for the purposes of navigation and incidentally for the purpose of having the water-power developed either for the direct use of the United States, or by lease or other agreement therefor to be entered into by the Secretary of War.

The present Secretary of War has given personal assurances to me, as well as like assurances officially to the British Embassy at Washington, that it is his intention to proceed immediately to carry out the provisions of this Act of Congress. An authoritative opinion has been given by the Attorney General of the United States to the Secretary of War, placing upon the Resolution of the Senate the official interpretation by which the Government of the United States will be guided in the administration of the Act of Congress for acquisition of lands and property above mentioned.

This opinion of the United States Attorney General has been communicated to His Excellency by the British Ambassador at Washington, and may be referred to as an authoritative statement of the interpretation which will be given by the Government of the United States to the Resolution of the Senate.

In view of the known intention of the United States Government to acquire the lands and riparian property at the Sault Rapids, it may well be considered that the full effect, if not the principal object, of the Resolution passed by the Senate is to enhance or at all events secure the present value to its owners of such riparian property in any proceedings which may be taken for its acquisition by the Government of the United States.

Upon the acquisition by the United States of the property in question, Canada and Canadian riparian landowners at the Sault Rapids will have, on the opposite side of the river, the Government of the United States as the only riparian landowners to deal with, and that circumstance in itself affords a reasonable guaranty of fair dealing and good faith in the practical working out of the provisions of the proposed Treaty and of the Senate Resolution. The course which has been taken by the Government of the United States in the negotiation of the Treaty now proposed justifies the assumption that upon the Federal Government acquiring the riparian properties on the Michigan side of the Sault Rapids, the principle of equal division between the United States and Canada will be, without objection, applied to the waters there in exactly the same manner as with respect to all other boundary waters, even though by possibility the wording of the Senate Resolution might permit some other dealing with the water of the Rapids.

A. B. AYLESWORTH

530. *Ambassador in United States to Administrator*

DESPATCH 81

Sir, Northeast Harbour, June 19, 1909

I have the honour in reply to the despatch of June 8th enclosing a copy of an approved Minute of the Privy Council for Canada, to inform you that I communicated to the United States Government on June 16th the decision, conveyed to me by Lord Grey's telegram of June 4th, of His Excellency's Ministers, that the compromise relating to the delimitation of the international boundary in Passamaquoddy Bay was not acceptable and should be declined.

Under the provisions of Article I of the Treaty of April 11, 1908, the question of which Government is entitled to jurisdiction over the island (Pope's Folly Island) and fishing grounds mentioned in that Article "shall be referred forthwith for decision upon the evidence and arguments submitted with such additional statements of facts as may be appropriate, and an argument in reply on each side to an arbitration to be agreed upon by the two Governments."

It would, therefore, seem necessary that your Government should consider whom they would be disposed to suggest to the United States Government as a proper person to be selected as Arbitrator by agreement of the two Governments; and I shall be glad to be furnished at your convenience with a name or names deemed suitable to be proposed for selection. The use in the Treaty of the word "forthwith" contemplates prompt action by the two Governments, and, as I may at any moment be asked by the United States Government what the wishes of Canada are, it seems desirable that before your advisers separate for the vacation the question of an Arbitrator should be considered.

I need hardly add that, although arbitration is the method of settling this controversy which the treaty prescribes, it may deserve to be considered whether there is anything to prevent the two Governments from still arriving by friendly agreement at a settlement which should be presented to the Arbitrator and which he should be asked to deliver as his decision. Could such a course be adopted it would save time and expense. The point at issue between Mr. King, representing the Canadian Government, and Mr. Chandler Anderson, representing that of the United States, was one of no very great importance, and it is possible that the United States Government might recede from the ground they took up in the discussion.

I have etc.

JAMES BRYCE

531. *Ambassador in United States to Under-Secretary of State for External Affairs*

North East Harbour, June 29, 1909

Dear Mr. Pope,

I should be glad to hear from you as soon as may be what is the view of the Dominion Government with regard to the question which has arisen about the drawing of the boundary line through Passamaquoddy Bay. You will remember there was an informal and unofficial discussion of the matter between Doctor King, as representing Canada, and Mr. Chandler Anderson, representing the United States. It was, I believe, arranged, and it was certainly understood by me, that Doctor King would come again to Washington for a final conference with Mr. Anderson in order to see whether the matter could be amicably adjusted without an arbitration. Dr. King did not come, and I have never heard since why he did not come, nor why the informal negotiations were thus cut short. Mr. Anderson has written to me expressing some surprise and has also conveyed to me that he and the Secretary of State do not understand why the Minute of the Privy Council stated that the "compromise proposed by the United States" was not acceptable to Canada, because he had not understood that there was any compromise, nor had the proposal which he made to Mr. King been formally made on behalf of the United States Government. It was in his view merely a suggestion to be

further considered by Doctor King and himself and then submitted to the two Governments after their final discussion which never took place at all. Mr. Anderson thinks that if the reference to the line "as a compromise proposed by the United States" is more than an inadvertence and the Dominion Government is really under a misapprehension in regard to the situation, some formal communication by the Secretary of State through the Embassy here would become necessary. I am telling Mr. Anderson that, as at present advised, I hardly think that there is any necessity for such a formal communication, as it would rather appear that there has been some simple misunderstanding of what passed and what was intended, which can be set right without the necessity of a formal interchange of despatches.

It is with that view that I am writing this letter to you.

I should like very much to know for my own information what is the view of the Dominion Government, in the first place with regard to where the line of the frontier ought to run through Passamaquoddy Bay, and, in the second place, with regard to the procedure to be followed.

Is it worth while for Dr. King, or some other representative of the Canadian Government, to resume an informal discussion with Mr. Anderson? I should have hoped, as I said in my previous despatch, that there was some chance of arranging matters on this basis. If, however, the Dominion Government thinks otherwise, we must consider what steps are to be taken with a view to the arbitration prescribed in Article I of the Treaty.

I should be glad to have the views of the Dominion Government upon the whole matter as soon as possible, but not necessarily in a formal way, if you think that a private and informal communication will suffice.

I am etc.

JAMES BRYCE

532. *Under-Secretary of State for External Affairs to Ambassador in United States*

PRIVATE

Dear Mr. Bryce, Ottawa, July 7, 1909

I am in receipt of Your Excellency's letter of the 29th June. I apprehend that at the time of writing, you had not received the Minute of our Privy Council of the 21st June, approving a report of the Minister of the Interior, in which are set forth the reasons why Mr. Anderson's proposals to Dr. King are not acceptable to our Government.

While this report of the Minister of the Interior throws a good deal of light on the subject, I think, perhaps, I shall consult your Excellency's wishes by replying to your observations in the same informal manner as you have communicated them to me.

1. At their meeting in New York on the 24th May last, Dr. King exchanged certain proposals with Mr. Anderson, whom he evidently understood

to represent his Government upon the occasion. On the following day Dr. King laid Mr. Anderson's proposals before the Minister of the Interior. A full appreciation of one phase of these proposals called for local knowledge which a personal inspection of the *locus in quo* alone could impart. Accordingly Dr. King visited the fishing grounds and on his return to Ottawa made his report to the Government. Meanwhile the time for negotiation was fast running on, and when the matter came before the Cabinet, had so nearly expired, that there was no object in Dr. King's seeking a further meeting with Mr. Anderson, more particularly as the latter gave him to understand at their last meeting that he could not recede from the position he then took.

2. You intimate that Mr. Anderson demurs to the application of the word "compromise" to his proposals to Dr. King. Yet the term can scarcely be considered as inherently inapplicable in the present case which, as Your Excellency justly observes in your letter to Lord Grey of the 8th May last, is one "quite fit for compromise." The expression occurs more than once in the papers, and indeed is suggested by the very nature of the controversy. Representatives of the two Governments met for discussion of the question. An island and a fishing ground were in dispute, and each side laid claim to both fishing ground and island. With a view to reaching a basis of settlement which would render recourse to arbitration unnecessary, Dr. King suggested that Canada should take the fishing ground leaving the island to the United States. Mr. Anderson objected that the fishing grounds were more valuable than the island, and made a counter proposal that the United States should take the island and three-fifths of the fishing grounds as well, leaving to Canada two-fifths of the latter. It seems to me that this proposal must have been intended by Mr. Anderson as a compromise, inasmuch as it involves the United States taking somewhat less than their original claim, and the only reason why it should not be thus described, is that the concession offered is so inadequate as hardly to be regarded in the light of a substantial abatement of extreme pretensions, which the word compromise implies.

3. As regards the status of the negotiators, Dr. King was authorized to represent the Canadian Government at the Conference of the 24th May between himself and Mr. Anderson, to whom he exhibited his credentials in the form of a telegram from the Governor General to Your Excellency, authorizing Dr. King to meet Mr. Anderson or other "accredited representative of the United States State Department." Mr. Anderson, while producing no written evidence of appointment, gave Dr. King to understand that he was duly authorized in that behalf. Moreover, Mr. Mitchell Innes informed Dr. King, in arranging an interview with Mr. Anderson, that the latter represented the Secretary of State, a character which Mr. Anderson did not, either then or at any subsequent period, disclaim. Dr. King left the Conference with the purpose of laying Mr. Anderson's counter proposals before our Government, which he did, but which he scarcely would have done, unless he believed that Mr. Anderson was authorized to make them. Otherwise, the position would be that while Dr. King spoke on behalf of the

Canadian Government, Mr. Anderson possessed no representative character whatever, and his proposals were merely his own suggestions, made with the object, it might be, of ascertaining how far Canada was prepared to go, without committing his own Government to anything.

It is quite true that these negotiations were in a sense informal, as all direct negotiations between the United States and Canada must be, but it is submitted that the meetings took place with the object of reciprocally ascertaining the views of the two Governments upon the questions in dispute, and to what length each would be prepared to go in order to ensure a satisfactory adjustment of the difficulty between them.

4. In reply to Your Excellency's inquiry as to where in the view of the Canadian Government the line of frontier ought to run through Passamaquoddy Bay, I beg to say that the British claim in respect of that portion of the boundary in dispute is that the line, beginning at the point midway between Treat Island and Friar Head (Your Excellency will find the plan forming the frontispiece to the British case) should pass midway between Pope's Folly Island and Dudley Island, also midway between Pope's Folly Island and the Lubec shore and thence to the middle of the Lubec Narrows. From thence the line should follow the channel to the west of the Middle Grounds to the point in Quoddy Roads mentioned in the Treaty, or alternatively as to the last locality on such a course as shall divide the waters of Lubec Bay equally. This alternative is explained in the British case.

Dr. King's proposals and Mr. Anderson's counter proposals are set out (in greater detail than in paragraph 2 of this letter) in the report of the Minister of the Interior, appended to the Minute of Council of the 21st June, 1909, which you have doubtless received ere this. For convenience, however, I reproduce them here: Dr. King suggested that the boundary line be drawn in navigable water in such a way that Pope's Folly Island should be allotted to the United States and the Upper Middle Grounds in Lubec Bay to Canada, it seeming a reasonable basis of compromise, where two things were in dispute, that each of the parties should take one of them.

This was met by the statement that the Middle Grounds are of more value than the island, and the counter proposal was made that, while the United States should take Pope's Folly Island, either Canada should take the Middle Grounds with a reservation of the property rights of Americans upon them, or the line should be drawn so as to divide the Middle Grounds.

The former of these proposals was considered by Dr. King to be unacceptable, for the reason that it appeared that the effect of the reservation of the private rights would be to deprive Canada of all control of these grounds, and in fact to be tantamount to a relinquishment of sovereignty, so that this proposal virtually resolves itself into the alternative, namely, to draw the boundary line across the Middle Grounds.

This alternative proposal was, at the Conference of May 24th, developed by the exhibition of a map upon which a definite line was drawn crossing the Middle Grounds, and the positions of the existing weirs were shown. This

indicated that there were five weirs on the debatable ground of which three lay on the Canadian side of the proposed boundary line. It was suggested by Mr. Anderson that the value of the additional weir would more than balance that of the island.

The Minute of Council goes on to speak of Dr. King's visit to the Middle Grounds, and shows that these weirs of which Mr. Anderson appears to make a good deal, are in a dilapidated condition and of little value. Furthermore Dr. King points out that there is room for many more weirs to be built, so that the existing weirs are not really to be considered in the case at all.

It only remains for me to add that while our Government quite concur with Your Excellency in the desirability of arranging matters in such a way as to avoid recourse to the somewhat complex procedure outlined in Article I of the Treaty, they are doubtful whether, if Mr. Anderson has correctly indicated the position of the United States Government in declining to agree to any important variation from his counter proposals to Dr. King, a renewal of the discussions between these gentlemen would be productive of any result. Moreover, it should not be forgotten that the Treaty, with its provisions for Arbitration, was drafted in the Department of State, and the concurrence of the Canadian Government was invited only after the document was drawn up. I mention this as serving to show that the United States Government must be quite prepared for a contingency for which they themselves made provision.

Believe me etc.

JOSEPH POPE

533. *Administrator to Colonial Secretary*[1]

DESPATCH 357

My Lord, Ottawa, July 13, 1909

With reference to Your Lordship's despatch No. 247, bearing date 10th April, 1909, covering copy of notes recently exchanged between the Secretary of State of the United States of America and His Majesty's Ambassador at Washington, on the subject of the Canadian claim to exercise jurisdiction within Hecate Strait, I have the honour to transmit for Your Lordship's information copy of an approved Minute of the Privy Council for Canada, embodying a report from the Secretary of State for External Affairs, and setting forth the views of my responsible advisers.

Your Lordship will note that instructions have been given to the Commander of the cruiser in charge of the patrol of the British Columbia Coast during the present fishing season to confine himself to preventing the United

[1] A substantially similar despatch was sent to the Ambassador in the United States on July 29, 1909.

States vessels from fishing within Canadian territorial waters, but at the same time to be exceedingly careful to do nothing that might be considered as implying recognition or admission of any rights on their part.

I have etc.

C. FITZPATRICK

[ENCLOSURE]

Order in Council

P.C. 257N July 6, 1909

The Committee of the Privy Council have had under consideration a despatch from the Secretary of State for the Colonies, dated 10th April, 1909, transmitting copy of notes recently exchanged between the Secretary of State of the United States and His Majesty's Ambassador at Washington on the subject of the Canadian claim to exercise jurisdiction within Hecate Strait, and asking for a statement of the views of Your Excellency's advisers in regard thereto.

The Secretary of State for External Affairs, to whom the said despatch was referred, reports that Hecate Strait forms one of the most valuable fishing grounds on the Pacific coast, being the favourite resort of halibut, which are there caught in great numbers. For many years Canadian fishermen have suffered from the encroachments of United States fishing vessels in these waters. In 1895 protests were lodged by various Boards of Trade and other interested parties in British Columbia against these depredations, "particularly in Hecate Strait" and the Department of Marine and Fisheries was asked to send a cruiser to the locality to protect Canadian fishermen. This was done, but at the same time the Commander of the cruiser was enjoined to exercise prudence and judgment in the exercise of his mission, and was instructed that while foreign vessels might be warned against fishing in the Strait, they were not to be actually seized unless found within the three mile limit. Acting on these instructions Captain Walbran of the cruiser *Quadra*, on the 11th January, 1897, warned the United States' fishing steamer *Edith* against continuing fishing operations in Hecate Strait, which action elicited from the United States Government a protest conveyed in a letter from Mr. Secretary of State Sherman, dated 20th March, 1897. This protest was duly communicated to His Majesty's Government and the Government of Canada, but no action appears to have been taken thereon.

When in England in the summer of 1897, Sir Louis Davies, then Minister of Marine and Fisheries, discussed this subject informally with the Colonial Office authorities, pointing out the injuries inflicted by the improvident and wasteful methods employed by the United States fishermen, who, to secure certain sized halibut are said to throw away thousands of good fish. Sir Louis urged that these foreign fishermen should be kept as far off our shores as a

strict interpretation of our rights might warrant. He was tentatively informed that the claim to territorial jurisdiction over the waters of Hecate Strait was surrounded with some difficulty.

It is submitted that a claim to jurisdiction over inland waters on the Pacific Coast derives additional force from the peculiar topography of the regions under consideration, the mainland and islands enclosing these waters being not only British territory but within one Province of Canada. Moreover, the fisheries of these waters have never been shared by treaty arrangements as have those on the Atlantic coast, nor have the rights acknowledged by the United States under the Convention of 1818 been qualified by international arrangements, except so far as the Paris Award, respecting fur seals, is concerned.

The Secretary of State submits that the territorial jurisdiction of Hecate Strait as Canadian waters has been acknowledged on more than one occasion by the United States Government:

1. In 1897, Mr. Alexander, a United States fishery expert on the steamer *Albatross,* dealing with the Pacific halibut fishery as conducted principally by United States vessels up to 1895, reported that "the best banks so far discovered are in Canadian waters, few places in southeastern Alaska have been found where halibut were in such abundance as in the above mentioned grounds."

The principal halibut grounds in the waters in question are, without dispute, in Hecate Strait.

2. As recently as 8th July, 1908, Mr. Whitelaw Reid, the United States Ambassador at London, applied to His Majesty's Government for permission to lay a cable through Hecate Strait and Dixon's Entrance in these terms:

> From the map of Alaska, which I inclose, it will be seen that the cable from Sitka eastwards, extends from as far as Ketchikan on the inside passage to Alaska. A cable which could be laid from Gray's Harbour, Washington, northward, through Hecate Strait, east of Queen Charlotte Islands, across Dixon's Entrance, and up into the passage of Ketchikan would provide such an alternative means of communication and reasonably ensure continuous telegraphic service to Sitka and beyond.
>
> It will be noted, however, that Hecate Strait and Dixon Entrance are British waters, and before the project set forth can be proceeded with, it is desired to ascertain whether His Majesty's Government would have any objection to the laying of such a cable in the waters proposed.

The communication proceeds:

> In this case, therefore, it is hoped that the open and extensive character of the waters of Hecate Strait and Dixon Entrance and the fact that no landing is desired on British territory, may permit a favourable consideration of this matter, and I am accordingly instructed to ask whether the facilities desired could be granted.

The Secretary of State further submits that no language could be employed which would more conclusively admit Great Britain's territorial jurisdiction over these "open and extensive waters" of Hecate Strait and Dixon Entrance.

The United States Government were naturally led to assume British sovereignty in Dixon Entrance and consequently in Hecate Strait outside the ordinary three mile limit, from the fact that they themselves claim a like jurisdiction in the Gulf of Georgia and the Strait of Juan de Fuca. By the Treaty of Washington (1846), the international boundary was to follow the 49th parallel to the Pacific Ocean through the middle of the strait separating Vancouver Island from the continent. A question arose whether this boundary should run through Rosario Channel or the Canal de Haro, and the matter was referred to the arbitrament of the Emperor of Germany. Article 1 of the Treaty of Washington, 1846, defining the whole water boundary, and Article XXXIV of the Treaty of Washington, 1871, reciting the above mentioned article, allude to the boundary as "the line of boundary between the *territories* of Her Britannic Majesty and those of the United States." The reference to the Emperor of Germany speaks of the portion in dispute as "so much of the boundary line between Her Britannic Majesty's possessions in North America and the *territories* of the United States as is comprised between the continent of America and Vancouver's Island," while the award of His Imperial Majesty refers to the whole line, as the "*line of boundary* which according to the Treaty dated at Washington, June 15th, 1846, after it has been continued westward along the 49th parallel of north latitude to the middle of the channel which separates the continent from Vancouver's Island, *shall be further drawn southerly through the middle of the said channel and Fuca's Strait to the Pacific Ocean should run, etc.,*" and decides that "The claim of the Government of the United States, viz., *that the line of boundary between the dominions of Her Britannic Majesty and the United States should run through the Canal de Haro, etc.*" Here it is laid down in unmistakable language that a line extending over water for fifty miles to the Pacific Ocean, through a strait ten to twenty miles wide, delimited the "territories" or the "dominions" of Great Britain and the United States respectively. Nor have the United States Government hesitated to act upon this interpretation of the San Juan Award. In 1899 six Canadian fishing boats were seized by them in the Strait of Fuca, south of the 49th parallel, for encroachment upon United States waters. It was shown that these boats had drifted across the line through want of proper lighting, unintentionally, and as an act of grace they were released, for which Her Majesty's Government formally thanked the United States authorities.

Here is a claim to territorial jurisdiction over water, outside the three mile limit, asserted by the United States and acquiesced in by Her Majesty's Government in circumstances and under conditions germane to an assertion by Canada of a like jurisdiction over the waters of Dixon Entrance, south of the line established by the Alaska Boundary Award of 1903. In like manner the waters of the Strait of Georgia, north of the international boundary line, and which are at least fifteen miles wide, have since the days of the Award of the German Emperor in 1872 been controlled by Canada, without protest on the part of the United States.

Whether the framers of the Treaty of 1825 between Great Britain and Russia intended the line to be drawn between the southernmost point of Prince of Wales Island and Portland Channel as one of territorial demarcation on the sea, or merely as determining the ownership of such islands as might be found to lie between these points, is perhaps doubtful.

The point is thus discussed by General Cameron in his report upon the Alaska boundary:

> Notwithstanding the circumstances that the Convention of 1825 originated in the British objection to the Russian Ukase of 1821 assuming sovereignty over open ocean, there is room to doubt whether the Russian government in concluding the Convention of 1825 may not have regarded its terms as implying a consent by the British government to their claim to sovereignty over inter-insular sea limited by the line between Prince of Wales island and the Portland canal.
>
> Such a view would, however, be inconsistent with the claims generally advanced by the United States with regard to the definition of coast territorial waters.
>
> From the British point of view it is most probable that the line between Prince of Wales island and Portland canal was regarded merely as a line *limiting land territory;* whereas the Russian point of view would probably have given it the aspect of determining water as well as land sovereignty.

However that may be, it is submitted that a consideration of the terms of the Convention of the 24th January, 1903, and of the London Award thereunder, made on the 20th October in the same year, lends a different aspect to the case. The object of the Convention as set forth therein was to appoint a Tribunal to determine and lay down the boundary line "between the territory of Alaska and the British possessions in North America." Among the questions submitted to the Tribunal was, what course should this line take from the point of commencement to the entrance to Portland Channel? That is to say, it has been agreed by Treaty that the dividing line between the respective "possessions" has a definite location across the stretch of sea between the point of commencement and the entrance to the channel. The London Tribunal states this location with the greatest precision: "the line marked (A-B) in red on the aforesaid map." The line (A-B) on the map is the straight line joining the extremity of Cape Muzon (A) with a point (B) at the southern entrance to Tongass Passage.

As 'possessions' include territorial water as well as land, it is inferred that the waters on either side of the line (A-B) are territorial.

To test the reasonableness of this conclusion, let the opposite be assumed, that is that the United States possess Prince of Wales Island and the other islands north of Dixon Entrance, and Great Britain, Queen Charlotte Islands and other islands to the south of Dixon Entrance, each with a three mile limit of territorial water and no more.

If this is the case it follows that the United States owns three miles out to sea off Cape Muzon, or three miles on the Canadian side of the boundary line. Canada owns no land within some eighteen to twenty miles of the boundary line at this point. At Cape Chacon and at Point Munez again, where the line (A-B) approaches the land, the United States would own

territorial water two and one-half miles south of the line, and Canada no land nearer than Zayas Island, nearly thirty miles away.

The Secretary of State observes that he cannot readily conceive the meaning of a "boundary line" under such conditions. The conclusion seems to him that the line (A-B) is something more than an indication of which of the islands are owned by the Powers respectively. If more than this, it can be nothing less than a true boundary line separating territorial possessions—water as well as land.

The view that the line through Dixon Entrance as laid down by the London Conference in 1903 was one of demarcation between the possessions of the High Contracting Parties, receives additional support from the practice of the United States Government in treating the waters of Clarence Strait and the other straits and sounds lying to the north of the 55th parallel as strictly territorial, notwithstanding that the breadth of these stretches of water exceeds six miles in width for much of their length. As an illustration of the exercise of this claim it might be mentioned that some years ago the United States Government forced all Canadian steamers to enter and clear at the port of Mary Island in the Revillagigedo Channel, and placed an officer of Customs on board during their entire journey in these waters.

The Secretary of State observes further that he is unable to perceive any good reason for the assertion of any claim of territoriality over, say, Clarence Strait which does not apply with equal cogency to Hecate Strait.

The Committee of the Privy Council, for the foregoing reasons, and in view of the prevailing opinion throughout British Columbia that the exclusive right of fishing in these waters appertains to British fishermen, recommends that the Secretary of State for the Colonies be informed that in the view of the Canadian Government the line laid down in Dixon Entrance by the London Tribunal of 1903 is one of territorial demarcation, and that as a consequence Canada claims exclusive jurisdiction within the whole of Hecate Strait.

The Committee, while led by the considerations herein outlined to this conclusion, is sensible of the fact that the question is not free from difficulty, and that it is desirable to avoid an appearance of indulging in any overstrained assertion of any right, or of a desire to push things to extremes. In this disposition the Minister of Marine and Fisheries has instructed the Commander of the cruiser in charge of the patrol of the British Columbia coast during the present fishing season, to confine himself to preventing the United States vessels from fishing within Canadian territorial waters, which, for the time being, are to be considered as those comprised within the ordinary three mile limit on the coast and within well defined bays. The Commander is at the same time enjoined to be exceedingly careful in his actions towards foreign fishing vessels—to do nothing that might be considered as implying recognition or admission of any rights on their part, merely because the Government does not deem it expedient at the moment to exert authority to expel them from such waters.

All which is respectfully submitted for approval.

534. *Ambassador in United States to Deputy Governor General*

DESPATCH 103 Bar Harbour, August 21, 1909

Sir,

I have the honour to inform you that in compliance with the wish expressed by your Ministers, in which His Majesty's Government concurred, that I should visit the parts of Passamaquoddy Bay in which there existed questions regarding the boundary between the Province of New Brunswick and the State of Maine, questions which it is proposed to refer to arbitration but which your Ministers have thought might possibly be still settled by diplomatic agreement, I visited those waters upon the afternoon of August the 18th and again on the morning of August the 19th and went carefully over the whole area of controversy. I was accompanied by Mr. Pope, the Under-Secretary for External Affairs of the Dominion Government, whose valuable aid and thoughtful attentions it is a pleasure to acknowledge, and also by Doctor King and Mr. Calder, the Canadian Inspector of Fisheries, and by a local fisherman well acquainted with the spot. Colonel Sir J. Hanbury-Williams[1] was also of the party.

It is unnecessary for me to deal in this despatch either with the geographic and physical conditions of the place or with the history of the controversy or with the arguments advanced on behalf of His Majesty and of the United States respectively, as all these are fully set forth in the cases prepared on behalf of His Majesty and of the United States.

Assuming your Ministers to be familiar with these, and assuming that they have before them charts of the disputed spots—without which it would be difficult to understand the details which follow—I confine myself to some remarks upon the actual value of the two disputed areas and the possibility of adjusting the dispute by agreement without that reference to an arbitrator, which is provided for by the Treaty of April 11, 1908.

The controversy relates to two different spots: (1) the island now called Pope's Folly and formerly known as Mark Island, which is immediately north of the strait known as Lubec Narrows, and (2) a piece of shallow water roughly some half square mile in extent which lies a little way to the south of Lubec Narrows, and is known as the Middle Fishing Ground.

First as to the island called Pope's Folly. It is distant rather more than three hundred yards northeast from Campobello Island, which is part of New Brunswick, about seven hundred yards from Dudley Island, part of the State of Maine, and about seven hundred and fifty yards from the mainland of that State at Lubec. The British case states that the proper channel for vessels proceeding up Passamaquoddy Bay is to the west of it. This channel is a little deeper as well as much wider, than that which separates it from Canadian territory, but I was informed on the spot that most vessels take the equally direct course to the east of the island between it and Campobello Island, there being plenty of water in both channels at all tides. The island

[1] Secretary to the Governor General.

is a very conspicuous object and could not well have escaped the notice of the Commissioners under the Treaty of 1814 as is alleged in the American case, for it rises from thirty to forty feet above high water, with the tops of the trees growing on it twenty feet higher. Its shores are steep and rocky. Landing upon it, I found it covered with a thick growth of coniferous trees mostly balsam, fir and spruce together with a few deciduous trees and shrubs. The timber is not worth the cutting, and the island produces nothing else except raspberries and blueberries. A century ago it might conceivably have been thought of value, in case of war, as a spot on which to construct a small fort commanding Lubec Narrows. At one time, even as late as 1870, there would seem to have been a fishing weir upon its shores. To-day, however, regarded as a piece of property, I doubt if it would fetch more than one or two hundred dollars at a sale, for no use could be made of it except to erect a tiny summer cottage or possibly an afternoon tea house. To each nation, however, the island has that sort of interest which belongs to an object long in litigation and which acquires through the combative sentiment of the parties a sort of fancy value, or as lawyers say, a *pretium affectionis*.

Secondly, as regards the Middle Fishing Ground. The worth of this disputed place is greater, although uncertain, because it depends upon that very variable factor, the habits of the fish. He who sails south from Lubec Narrows traverses before entering the broad expanse of the Bay of Fundy at West Quoddy Head several miles of shoal water, which are much frequented by fishermen and through which there run two channels, one of which trends first south, then south-south-west, then south, and then south-east, and the other of which, diverging from the former at a point some three-quarters of a mile below the Narrows, turns to the south-east close under the New Brunswick shore at Cranberry Point and then sweeps in a curve immediately to the east of the Duck Islands. These two divergent channels are indicated, the first by a yellow and the second by a green dotted line on the chart appended to the United States Case. The distance from the point where they diverge to the point where they reunite is a little over one mile and a half, and the widest space between them a little over half a mile. The area in dispute would therefore be roughly speaking not more than half a square mile.

Great Britain has long held that the international boundary follows the main or western channel, while the United States argues that the eastern channel close to the Campobello shore was that which was commonly used until the time when the western channel was dredged by the United States about 1881. The western channel is, now at least, and is held by Great Britain to have always been, a pretty well defined deep waterway from Quoddy Head to the Narrows, whereas the eastern channel can at present hardly be traced further south than Duck Island, which lies off the mouth of Little Duck Pond. The area in dispute corresponds roughly with what is marked as the 'Inner Middle Ground' upon the small map appended to the British Case, and incloses the shoal marked on the plan appended to the American Case a little to the east-south-east of the Lubec Channel Light. Within this disputed area there are

the remains of five fishing weirs, which the United States alleges to have been all erected and used by its citizens. Over all the fishing grounds between the two shores the water is (except in the two channels) very shallow, generally only from one to five feet deep at low water. The fishing is conducted entirely by means of weirs and not by lines nor as a rule by nets. During the last few years the fish have neglected the Middle Ground but have frequented the shores on each side of the Bay, and there have been fair catches in the weirs placed along both shores. The United States Government say that fish to the value of $20,000 were taken upon their side last season, but the New Brunswickers inform me that a large proportion of the fish which the United States fishermen obtain are really caught on the Canadian side and sold by them to the United States boats to be cured in the United States territory and so enter free of duty. The five weirs aforesaid were erected at a time when the fish came in considerable numbers up and down over the Middle Grounds with the flood and ebb of the tide and accordingly these five weirs standing well out from the shore along the eastern side of the western channel and the western side of the eastern channel were in such times of substantial value. During the last few years, however, the fish have confined their visits to the two shores, and the only profitable fishing has been in the weirs which adjoin these shores. Accordingly the five weirs aforesaid upon the Middle Grounds have been suffered to fall out of repair so that no one of them is now capable of being used, and in particular the Phelps Weir, of which more hereafter, is nothing better than a line of rotting poles covered with limpets and seaweed. Should the fish, however, take it into their heads again to come in greater numbers to this inlet, and especially should they come up and down with the strong tide that runs along the channels, the sites of these weirs would become worth having and new weirs would be erected, as the cost of erection is not heavy. The area of a half square mile of water in controversy has therefore a certain value, although a value which it is at present difficult to estimate. There is at present no Canadian weir upon the Middle Grounds.

So far as I can from a perusal of the British and United States Cases form an opinion as to the true line of the international boundary, the balance of evidence seems to me to be in favour of the Canadian contention. But as the value of the middle ground between the two channels is not in any case large, and as that of the Island of Pope's Folly is rather sentimental than tangible, it is understood to be the wish of both parties to endeavour to arrange the dispute by a compromise instead of proceeding to the method of arbitration provided for by the Treaty of Arbitration. The arbitration must be costly, since the arbitrator will have to be brought from Europe and in that case taken to the spot, and since counsel would have to argue before him a matter of some intricacy. Moreover, arbitrators are apt to solve the questions presented to them by dividing between the disputants the object in dispute. If this arbitration should be thought likely to end in a compromise, it would seem much better for the parties to make the compromise themselves, rather than go to great expense in getting it from the arbitrator.

In the informal negotiations for a settlement without arbitration between Doctor King, representing the Dominion Government, and Mr. Chandler Anderson, representing the United States Government, two compromises were suggested. On the part of Canada, Doctor King held out hopes that she might be willing to let the United States have Pope's Folly if they would abandon their claims to every part of the Middle Fishing Ground. On the part of the United States, Mr. Anderson suggested that the United States should have Pope's Folly and retain two out of the five fishing weirs on the middle grounds, leaving the other three weirs to Canada. The proposal of each party was declined by the other party, and it is understood that each party will persist in its refusal. Is there any chance of finding a third compromise, which both could be brought to accept?

I have gathered that the United States will not agree to any compromise which would give Pope's Folly to Canada. The view of their Government is that as an Act of the Legislature of Maine has declared that island to be part of one of the counties of that State, they could not offend the State by surrendering it as a matter of diplomatic agreement, although they are ready to accept with a good grace the decision of the arbitrator should he pronounce against them. It appears that they feel a similar difficulty in surrendering one of the weirs, namely that one which bears the name of a certain Phelps. It lies furthest to the west and is thus nearest to their own shores. I saw the miserable remains of this weir immediately to the south of the west end of the shoal (marked on the United States map) which lies a little to the south-east of the Lubec Channel Light. That shoal was dry at low water. The Phelps weir was erected under a grant made by the State of Maine, and this is the cause of their scruples. The other four weirs, they might, I believe, be induced to abandon.

Accordingly the question of a compromise narrows itself down to this—would Canada be disposed to accept an arrangement which, while leaving Pope's Folly to the United States, retained for her four-fifths of the Middle Grounds, i.e., the sites of all the weirs except the Phelps weir. Although I cannot speak positively, I am inclined to believe that the United States might accept this compromise. So far as pecuniary value goes, it would give to Canada much more of the fishing ground than would be left to the United States, placing the boundary line a good deal nearer to that contended for by her than to that which the United States have been claiming. Of the considerations other than pecuniary which enter into the matter as regards both the places in dispute I do not speak. They are matters to be weighed by His Majesty's Government and by that of the Dominion.

Two other questions remain to be discussed. One is the method by which the compromise above indicated (if it found favour with His Majesty's Government and the Dominion Government) could be carried out, having regard to the fact that the time for an agreement under the Treaty expired upon the 4th of June. The other question is whether if we proceed to an arbitration we could prudently do so by simply submitting printed cases and charts with printed arguments to the Arbitrator foregoing the oral arguments of counsel.

Upon this subject my inspection of the *locus in quo* suggests to me some observations, but I need not enter upon either topic until the preliminary question has been decided, as to whether such a compromise as I have indicated would find favour.

I have etc.

JAMES BRYCE

535. *Deputy Governor General to Ambassador in United States*

DESPATCH 105

Ottawa, September 9, 1909

Sir,

With reference to your Lordship's despatch No. 103, dated 21st August, 1909, regarding the boundary between Canada and the United States in Passamaquoddy Bay, reporting the results of your Lordship's personal inspection of the locality adjacent to the disputed boundary, and suggesting a compromise which might be acceptable to both parties, I have the honour to transmit, for your Lordship's information, copy of an approved Minute of the Privy Council for Canada, stating that my responsible advisers are not prepared to go in the direction of a compromise beyond the proposal submitted by Dr. King in his conference with Mr. Chandler Anderson.

I have etc.

C. FITZPATRICK

[ENCLOSURE]

Order in Council

P.C. 1836

September 6, 1909

The Committee of the Privy Council have had under consideration a despatch, dated August 21, 1909, from His Majesty's Ambassador at Washington, on the subject of the boundary between Canada and the United States in Passamaquoddy Bay, in which the Ambassador reports the results of a personal inspection made by him of the locality adjacent to the disputed boundary, and enquires, in view of the failure of Dr. King and Mr. Chandler Anderson to agree upon a compromise, whether there would be a possibility of finding some third arrangement which both parties might be willing to accept, proceeding to outline the compromise which he is inclined to think might be acceptable to both parties.

The Secretary of State for External Affairs, to whom the said despatch was referred, submits that Your Excellency's responsible advisers are not prepared to go in the direction of a compromise beyond the proposals submitted by Dr. King in his conference with Mr. Chandler Anderson.

The Committee, concurring, advise that Your Excellency may be pleased to so inform His Majesty's Ambassador at Washington.

All which is respectfully submitted for Your Excellency's approval.

536. *Ambassador in United States to Deputy Governor General*

DESPATCH 110 North East Harbour, September 15, 1909

Sir,

I have the honour to acknowledge your despatch of the 9th of September, transmitting to me copy of an approved Minute of the Privy Council for Canada stating that your advisers are not prepared to go any further in the direction of the compromise than the proposal which was submitted by Dr. King in his conference with Mr. Chandler Anderson. As I have gathered that the United States Government are no more likely now than they were before to accept that proposal there would appear to be nothing further to do except to proceed in accordance with the provisions for arbitration of the disputed boundary question contained in the Treaty of 1908.

The first step towards making progress with that arbitration is that the Governments concerned shall agree upon an arbitrator. I referred to this in my despatches to you of the 19th of June and of the 10th of July, and I also on the 10th of July invited the United States Government to express their views as to the carrying out of the provisions of the Treaty for the arbitration of the disputed question, since which time I have had no official reply from the United States Government.

The next step would accordingly appear to be that I should suggest to the United States Government the names of some persons suitable to be selected as arbitrators, upon one of whom we might agree, and I would suggest that your Government might either communicate with His Majesty's Government with the view of selecting certain names for that purpose, or else that the Embassy should do so upon being informed of your preference in the matter.

One question remains to be considered, namely whether the arbitration should be conducted entirely by means of written statements and maps, upon which the arbitrator should pronounce his award, or whether it is desirable that the arbitrator should himself come to this country and inspect the disputed boundary line personally. The latter course will, of course, be much the more expensive, but so far as I could judge from my own inspection of the place, it would be to the advantage of Canada that the arbitrator should see the place, as I think our case will appear the stronger when examined on the spot than it would merely on paper, and the additional expense would seem to be a matter of less consequence than the taking of every step which could aid the Canadian case.

May I assume, therefore, that it will be the wish of your Government that the proceedings should not be conducted entirely on paper, but that the arbitrator should be requested to visit the spot? I ask this question because it is probable that the point may be raised by the United States Government.

I have etc.

JAMES BRYCE

537. *Governor General to Ambassador in United States*

PARAPHRASE OF TELEGRAM Ottawa, January 11, 1910

SECRET. Canadian Government are prepared to carry out compromise suggested by King respecting Passamaquoddy Bay, viz., Canada to have whole of disputed fishing grounds and United States to have Pope's Folly.

GREY

538. *Colonial Secretary to Governor General*

DESPATCH 97

My Lord, Downing Street, February 10, 1910

With reference to my despatch No. 667 of the 6th of November, I have the honour to acquaint Your Excellency, for the information of your Ministers, that the report of the Law Officers with regard to the question of Hecate Strait has now been received.

2. In the reference to the Law Officers there was laid before them the memorandum[1] from the American Ambassador of the 12th of May, 1909, a copy of which was enclosed in my despatch No. 338 of the 15th of May, together with the Report of the Committee of the Privy Council of Canada, dated the 6th of July, which was enclosed in Sir Charles Fitzpatrick's despatch No. 357 of the 13th of July. It was pointed out that your Government contended that the line of demarcation mentioned in Article III of the Anglo-Russian Treaty of 1825, and determined by the award of the arbitration tribunal under the Convention of 1903, must be interpreted as a line of territorial demarcation, and that as a consequence Canada claimed exclusive jurisdiction over the whole of Hecate Strait. There was also laid before the Law Officers a copy of Mr. Whitelaw Reid's note[2] of the 8th of July, 1908, asking for permission, on behalf of the United States Government, to lay a cable through Hecate Strait and Dixon Entrance, and the Law Officers were asked to report whether the claim of your Government could properly be supported by His Majesty's Government, having regard to the special and peculiar considerations on which it was based.

3. The Law Officers report that they have carefully considered the claim made by the Canadian Government, and that, although that claim may well be supported by many cogent arguments, they are, on the whole, of opinion that it cannot be justified either by international law or by treaty rights. They are also of opinion that notwithstanding the admission of the claim to British jurisdiction over those waters contained in Mr. Whitelaw Reid's note of the 8th of July, 1908,[2] there has been nothing in the conduct of the Governments or communities concerned to prevent the United States Government now disputing the claim.

[1] Not printed. The memorandum referred to does not differ in substance from enclosure to Document 526.

[2] Quoted in part on p. 402.

4. So far as the general principles of international law are concerned, the Law Officers think that any international tribunal would certainly hold that the great spaces of water intervening on the north and east between Queen Charlotte Island and the nearest land are open sea, over which neither the United States nor Great Britain or Canada can claim exclusive jurisdiction. It is suggested in the report of the Privy Council of Canada that there are special circumstances which justify such a claim in this case. By the treaty of 1825 between Great Britain and Russia, which states the boundary between Canada and Alaska, it is laid down (Article I) that the respective subjects of the contracting parties should have a free right of fishing in any part of the Pacific Ocean. By Article III of the same treaty, together with the award under the treaty of 1903, the line of demarcation between the possessions of the high contracting parties upon the coast of the continent and the islands of North America to the north-west is directed to be drawn so as to pass over sea as well as land, and it is contended that the effect of this demarcation was to assign the sea as well as the islands and mainland lying north and south of that line to the high contracting parties respectively. That is not, however, the construction which would be given to the treaty if due regard were had to the well-known rule of international law as to the freedom of the open sea and to Article I of the treaty. The line was intended to delimit the territorial possessions of England and Russia on either side and this would include territorial waters, but it would not purport to make waters territorial which by international law should properly be regarded as free and open sea. If that had been the intention it ought to, and most probably would, have been explicitly stated in the treaty, as the contracting parties could scarcely have failed to realize that in such a case they were acting in disregard of an international right. The line of demarcation as drawn by the arbitration tribunal under the Convention of 1903, is referred to in the Convention and in the Privy Council Report as a 'boundary line', and it is inferred that, whatever lies to the north or south of that line, whether land or water, would be within the territory of one or other of the contracting parties. This, however, is to construe the expression 'boundary line' in rather too literal a sense. If it were treated literally as a boundary line, it would have the effect of allocating to Canada part of the territorial water at the extreme points of the line where it rests upon the coasts of Alaska and at all intermediate points where it is drawn within three miles of such coasts, and this cannot have been intended.

5. The Law Officers point out that there is much force in the argument of your Ministers that the claim of territoriality, say over Clarence Strait on the north of the Straits of Georgia or San Juan de Fuca on the south, where each of the contracting parties admits the claim of the other, would apply with equal cogency to Hecate Strait or Dixon Entrance. They consider, however, that there is a difference which, though it may be described as being one of degree, nevertheless puts Hecate Strait and Dixon Entrance in a substantially different category from many of the other named straits. The

other straits are much more in the nature of enclosed waters than of open sea, although they are connected with the open sea at both ends. They admit, however, that the award of the German Emperor under the Treaties of Washington of 1846 and 1871, which has been construed practically as treating the Strait of San Juan de Fuca as divided between the territories of Great Britain and the United States, would have some weight before an international tribunal in favour of the contention of your Government with regard to Hecate Strait.

6. Turning to the admissions on the part of the United States in favour of the British contention, the Law Officers attach no importance to the statement made in 1897 by Mr. Alexander, the United States Fishery expert, inasmuch as that officer had no sort of authority or position which could give any weight to the statements made by him in a matter of diplomacy. Mr. Whitelaw Reid's application of July, 1908, for permission to lay a cable through Hecate Strait and Dixon Entrance, together with his express recognition that those waters are British, is undoubtedly in the Law Officers' opinion, an important point in favour of Canada, but it is to be remembered that on previous occasions in 1897 and 1905, when the present claim had been put forward on behalf of His Majesty's Government, the United States had protested, and no reply was made to their protest. This circumstance, the Law Officers consider, gives the aspect of inadvertence to Mr. Whitelaw Reid's admission, unless, indeed, the admission was intended only to apply to waters within the three-mile limit which might be touched by the cable in Hecate Strait. In any event, the Law Officers think that such an omission does not estop the United States from raising the point now.

7. His Majesty's Government concur in the opinion of the Law Officers of the Crown, and think that it is unlikely that a successful result could be expected from the submission of the claim to arbitration, but they would be glad to learn the views of your Government on this matter.

I have etc.

CREWE

539. *Prime Minister to Ambassador in United States*

Ottawa, March 25, 1910

Dear Mr. Bryce,

It has taken us some time to fully investigate and come to a conclusion upon Article VI of the Waterways Treaty. The result of our investigation has been satisfactory, and the letters of ratification of the Treaty can now be exchanged.

Believe me etc.

WILFRID LAURIER

540. *Ambassador in United States to Governor General*

DESPATCH 66
My Lord, Washington, April 15, 1910

I have the honour to inform you that I have called the attention of the Secretary of State to the provision in the Boundary Waters Treaty, Article XII, which provides that the Government of Canada and that of the United States shall "adopt such legislation as may be appropriate and necessary to give the Commission the powers above mentioned on each side of the boundary, and to provide for the issue of subpoenas and for compelling the attendance of witnesses in proceedings before the Commission." I told him that His Majesty's Government had informed me that the instruments needed for the formal ratification of the Treaty would shortly be in my hands, so that we might within two or three weeks be in a position to proceed to ratification, and suggested that as soon as ever the ratifications had been exchanged it would be desirable that the legislation needed should be submitted to Congress, and that I had no doubt that Your Excellency's Government would be disposed to take similar action simultaneously in Canada.

Mr. Knox thanked me for the suggestion, and said he would give immediate direction for the preparation of the measure required for the purpose in order that it might be introduced as soon as the ratification had been exchanged, and, as he hoped, passed during the present session of Congress.

I should be glad to hear from Your Excellency whether your Ministers intend to propose legislation for carrying out the Treaty, with a view to other purposes than that specified in Article XII, in order that if the United States Government address any enquiry to me on the subject I may be in a position to deal with it.

I have etc.

JAMES BRYCE

541. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM 11 Washington, May 2, 1910

State Department anxious to proceed with Passamaquoddy Bay Treaty immediately as local arrangements for giving effect to it have to be made before Congress adjourns. If it is approved could the draft be returned at once, if possible, this week? Dr. King has gone through Treaty carefully.

BRYCE

542. *Governor General to Ambassador in United States*

DESPATCH 50
Sir, Ottawa, May 2, 1910

With reference to Your Excellency's despatch No. 66, dated the 15th April, 1910, in which Your Excellency asked to be informed whether in

view of the shortly expected ratification of the Boundary Waters Treaty the Canadian Government intended to propose legislation necessary for the carrying out of the provisions of that Treaty, I have the honour to transmit, herewith, for Your Excellency's information, copy of an approved Minute of His Majesty's Privy Council for Canada[1] stating that, in the opinion of my responsible advisers, the present session of the Canadian Parliament is too far advanced for legislation to be introduced at this stage, but they would suggest that during the recess concurrent legislation might conveniently be considered and prepared by the two Governments to be passed at the next session of Parliament and the next session of Congress.

I have etc.

GREY

543. *Ambassador in United States to Governor General*

DESPATCH 74 Washington, May 5, 1910

My Lord,

I have the honour to acknowledge the receipt of Your Excellency's despatch No. 50 of May 2nd relating to the legislation required to give effect to the Boundary Waters Treaty on the part of Canada and of the United States respectively, as mentioned in Article XII of the Treaty. I have, as requested, informed the Secretary of State that the Dominion Parliament having now adjourned it will not be possible at present to pass for Canada the legislation aforesaid and have communicated to him the suggestion in your despatch regarding the consideration and preparation during the recess of concurrent legislation.

Mr. Knox, while appreciating this suggestion, told me that he considered that as he believed that the method in use here for empowering the Administration of Oaths and summoning of witnesses was not the same as that employed in Canada, he did not think that in any case the form of the statute required by Article XII would be the same in the two countries, and that he thought it desirable that the United States Government should do its best to get through Congress at once, during the present session, the legislation needed, which would include an appropriation for the payment of the United States members of the Joint Commission. He was therefore disposed to take time by the forelock and try to get the Act passed at once, but would be glad to show me the form proposed which I might communicate to you to be shown to your Ministers. He understood that of course Canada's legislation would not now be concurrent in time but did not apprehend any difficulties on that score.

The ratification of the Treaty by His Majesty the King, which I asked for as soon as I had received the consent of Your Excellency's Government, having now arrived, the formal ratifications were duly exchanged to-day. The

[1] Not printed.

consent on our part to the special provision which had been added to the Treaty by the United States Senate and declared by it to be made a condition of its ratification was embodied in a declaration made by the Secretary of State and by myself on behalf of the two Governments. His Majesty's Government considering that His Majesty's assent to those provisions could best, in accordance with established diplomatic usage, be given by a declaration in the particular form which they suggested, and the United States Government having agreed to that form it was accordingly adopted and I transmit enclosed a copy thereof.[1]

I have etc.

JAMES BRYCE

544. *Governor General to Ambassador in United States*

TELEGRAM Ottawa, May 12, 1910

My Ministers agree to accept Passamaquoddy Bay Treaty as now drafted.[2] Despatch follows.

GREY

545. *Ambassador in United States to Governor General*

DESPATCH 89

My Lord, Washington, May 22, 1910

I have the honour to inform you that in pursuance of the instructions of His Majesty's Government I have yesterday, after receiving Your Excellency's despatch No. 55 of the 17th May, conveying the Minute of the Privy Council of Canada, in which the assent of Your Excellency's Ministers to the Treaty for the definition of the international boundary in Passamaquoddy Bay was announced, signed that Treaty in conjunction with the Secretary of State of the United States.

Mr. Knox expressed his belief that the Senate would agree to the Treaty forthwith and requested me to ask His Majesty's Government to take steps to enable the ratifications to be exchanged at as early a date as might be found convenient.

In thanking Your Excellency for the reference you are kind enough to make to my own efforts towards the adjustment of this question, I may be permitted, having myself visited and examined last summer the spots which

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[1] The Protocol of Exchange is printed in *Treaties and Agreements affecting Canada in force between His Majesty and the United States of America with Subsidiary Documents, 1814-1925.* Ottawa, 1927, p. 318.

[2] *Ibid.*, pages 352-354. Pope's Folly Island went to the United States and the Upper Middle Ground to Canada. The channel, and the boundary following it, were to be straightened.

are in controversy, to express the satisfaction which anyone who had seen them would feel that this dispute should have been disposed of by an amicable arrangement.

The dispute had obtained a certain importance by its antiquity, for it had been outstanding ever since 1783, but the intrinsic value of the island called Pope's Folly and the Middle Fishing Grounds was small indeed when compared with the trouble and expense which a resort to the arbitration provided for in the Treaty of 1908 would have involved.

I have etc.

JAMES BRYCE

546. *Colonial Secretary to Governor General*

DESPATCH 412 Downing Street, June 8, 1910

My Lord,

In continuation of my despatch No. 97 of the 10th February, I have the honour to transmit to Your Excellency, to be laid before your Ministers, the accompanying copy of a note from the American Ambassador at this Court on the subject of jurisdiction over the waters of Hecate Strait.

I have etc.

CREWE

[ENCLOSURE]

Ambassador of United States in United Kingdom to Foreign Secretary

Sir, London, May 24, 1910

I had the honour to address to you, under date of July 8th, 1908, a Note regarding the laying of a telegraphic cable through the British waters forming a part of the waters in Hecate Strait and Dixon Entrance on the Pacific Coast of Alaska, which Note is now to be found in the appendix to the British Counter-Case in the North Atlantic Coast Arbitration (page 205).

The attention of my Government has been specially called to the above communication on account of an expression therein which speaks of Dixon Entrance and Hecate Strait as British waters, a manifest inadvertence.

Under specific instructions, and in order that no further misunderstanding may arise, I am directed to disavow any intention on the part of the Government of the United States to concede, by virtue of the above cited Note or otherwise, that any part of the waters of Hecate Strait and Dixon Entrance outside of the three-mile limit, is under the jurisdiction or control of Great Britain.

In making this disavowal on behalf of the United States, I have the honour to invite your attention to the fact that on March 20th, 1897, in a

communication to the British Ambassador at Washington the Government of the United States explicitly stated its view that the waters of Hecate Strait and Dixon Entrance outside the three-mile limit are not British waters. This view had been adverted to and reaffirmed in other communications from the Department of State to the British Ambassador at Washington, dated February 18th, 1905, and March 3rd, 1909, and up to the present time my Government has uniformly and consistently advised all enquirers and particularly those interested in commerce and fishing on the Pacific Coast, that it maintains the view I have above set forth.

I may add, in conclusion, that although repeated requests for an expression of opinion on the subject as shown in the letters already cited have been made, the Government of the United States has never received any expression of a different view from that understood and expressed by the United States.

I have etc.

WHITELAW REID

547. *George C. Gibbons to F. Cochrane*[1]

CONFIDENTIAL

Dear Mr. Cochrane, London, Ontario, February 1, 1911

You did not enclose copy of the letter of the Hines Lumber Co., but I can readily assume what it is.

The application of the Minnesota Power Co. to divert waters, which in their natural course would flow to the Rainy River, came before our Commission and, after a number of hearings, the Commission unanimously reported against the application and declared in favor of the principle that no diversions of waters crossing the boundary should be permitted in one country to the injury of private or public interests in the other.

I may say to you, confidentially, that the American authorities refused absolutely to accept this principle and insisted upon their right to do as they pleased within their own territory. In negotiating the treaty some principle had to be adopted. It was greatly in our interest that fixed principles should be agreed upon, as it was quite evident in the absence of these that they would do about as they pleased. A compromise, which I think is eminently fair, was agreed upon. It is a dangerous thing, after all, to give one country a right to say that no diversion or obstruction should be had in the other which would interfere with private or public interests on the other side of the line. Under the treaty the public interests are preserved, but diversions are permitted by each country within its own territory.

Article II of the treaty deals with the matter and practically wipes out the boundary line as regards the remedy for injuries done to private interests

[1] Francis Cochrane, Minister of Lands, Forests and Mines of Ontario, 1905-1911.

and people in Canada who will be injured by the proposed diversion have exactly the same remedy as the citizens of Minnesota injured by it will have. The permit to the company given by the United States authorities has been made subject to the terms of this Article and I should doubt very much whether, in the face of the conditions that are being imposed, the work will ever go on.

Kindly treat this letter as confidential. I want you personally to understand the situation but, of course, I cannot be quoted in connection with the matter.

Yours truly,

GEO. C. GIBBONS

[P.S.] Would be glad to explain more fully personally first opportunity.

548. *Governor General to Ambassador in United States*

TELEGRAM Ottawa, February 11, 1911

Without committing themselves to an approval of any portion of the scheme to authorize the Long Sault Development Company to dam the St. Lawrence or any part of it, my advisers desire you to call the attention of the proper authorities to the following: In view of the provisions of the Ashburton Treaty and of the recent treaty with regard to boundary waters, requiring that the waters of the St. Lawrence at the place where the proposed works are to be undertaken be kept equally free and open to the people of both countries, and in view also of the fact that the construction of the proposed works in the South Sault Channel (south of the Long Sault Island) may alter the level of the water on the Canadian side of the boundary, it should be provided that before the said works in the South Sault Channel shall be undertaken the plans and specifications thereof shall be submitted to and approved by the International Joint Commission to be appointed under the Boundary Waters Treaty.

My advisers are of the opinion that there are objections of a serious character against obstructing the main channel of the St. Lawrence at the Sault, both on the ground that such main channel has always been open to navigation and because such obstruction would mar the scenic beauty of the river at this point, and would certainly alter the level of the water on the Canadian side of the boundary.

My advisers desire you to urge that the clauses in the bill now before Congress relating to the above subjects, which provide for any works other than in the South Sault Channel, shall be entirely omitted from the bill.

GREY

549. *Quebec Order in Council*[1]

March 31, 1911

The Honorable the Attorney General, in a memo dated the 30th March, (1911), sets forth, that:

WHEREAS a company called "The Grand River Timber and Pulp Estates, Limited", incorporated under the Act of the Imperial Parliament, intituled "The Companies (Consolidation) Act, 1908" has issued a prospectus representing among other things, that it has been incorporated to acquire and work certain valuable timber rights and water-powers situate in a territory of about 2,000 square miles on both sides of the Grand Falls and the Hamilton River, called in the said prospectus The Grand River; and that it has acquired the said timber rights and water-powers from the Government of Newfoundland.

AND WHEREAS the said representations have been made in order, among other things, to induce subscriptions to the capital stock and debentures of the said company, which stock and debentures, the said company has issued or proposes to issue to a very large amount.

AND WHEREAS the said timber areas and water-powers are not within the limits of Newfoundland, but are wholly within those of the Province of Quebec and Dominion of Canada; and therefore the pretended grant from the Government of Newfoundland is of no effect.

AND WHEREAS if the said company attempts to exercise the said pretended rights or obtain money on the faith of its possessing such rights, great loss and inconvenience may be suffered as well by the Province of Quebec and Dominion of Canada as by the persons who may advance such money.

The Honorable the Attorney General therefore recommends that the above facts be communicated to the Secretary of State of Canada, and that the said Secretary of State be requested to cause such representations to be made to the Government of Newfoundland and such other steps to be taken as may best protect the rights and interests of the Province of Quebec and the Dominion of Canada, and those of the investing public.

550. *Order in Council*

P.C. 821

April 20, 1911

The Committee of the Privy Council have had before them a report, dated 11th April 1911, from the Secretary of State for External Affairs, to whom was referred a despatch from the Administrator of the Province of Quebec, dated 1st April 1911, transmitting copy of a report of a Committee of the Executive Council, approved by His Honour on the 31st March 1911, in which attention is drawn to representations contained in a prospectus issued by "The Grand River Timber and Pulp Estates, Limited", to the effect that the said Company has acquired from the Government of

[1] Transmitted to the Governor General on April 1 and referred to the Department of External Affairs on April 7, 1911.

Newfoundland valuable timber rights and water powers in a territory of about two thousand square miles situate on both sides of the Grand Falls and the Hamilton (or Grand) River—a territory which the report asserts is not within the limits of Newfoundland but wholly within those of the Province of Quebec and the Dominion of Canada. It is further pointed out that attempts to exercise the rights claimed by the Company or to obtain money on the faith of its possessing such rights might cause great loss and inconvenience as well to the Province of Quebec and the Dominion of Canada as to the persons advancing such money; and Your Excellency's Government is requested to cause such steps to be taken as may best protect the rights and interests of the Province of Quebec and the Dominion of Canada, and those of the investing public.

The Minister observes that the ownership of the territory in the Labrador Peninsula in which these rights are said to have been granted is now in dispute between Canada and Newfoundland, and that it has been agreed by the two Governments that the dispute shall be referred for determination to the Judicial Committee of the Privy Council. In these circumstances he finds it hard to believe that the Government of Newfoundland would willingly take any action tending to prejudice the position of a sister colony in respect of a matter still in controversy.

The Committee on the recommendation of the Secretary of State for External Affairs advise that Your Excellency may be pleased to communicate with the Governor of Newfoundland bringing to his notice the representations made by the Quebec Government and expressing the hope that no action may be sanctioned by His Excellency's Government the effect of which would be to prejudice rights in the territory in question pending the settlement of the dispute by the Judicial Committee.

All which is respectfully submitted for Your Excellency's approval.

551. *Ambassador in United States to Governor General*

DESPATCH 83

Washington, June 9, 1911

My Lord,

With reference to your despatches Nos. 52 and 58, of the 18th May and 1st June, respectively, reporting legislative action by the Dominion Parliament in execution of the Treaty of 11th January, 1909, as to boundary waters and boundary questions, I have the honour to transmit, herewith, copies of a semi-official communication addressed to the United States Secretary of State, and notifying him of the action taken.

I assume that now no time will be lost in appointing the Canadian Commissioners[1] and thereby enabling the Commission to take up the numerous important questions that await its attention.

I have etc.

JAMES BRYCE

[1] See *Sessional Papers*, 1912, No. 119.

[ENCLOSURE]

Ambassador in United States to Secretary of State of United States

Dear Mr. Knox, Washington, June 9, 1911

I have received from the Dominion Government copies of the enclosed Act,[1] providing for the establishment and expenses of the International Joint Commission under the Treaty of 11 January, 1909, which has received the Royal Assent.

It will be observed that clauses 1 to 5, inclusive, provide for the extraordinary jurisdiction assigned to the Canadian Courts by the provisions of the Treaty. These clauses were introduced because they were deemed to be necessary in order to give effect in Canada to the provision in Article II of the Treaty, while as regards the United States we were assured, and transmitted to Canada the assurance, that in the United States no similar legislation was necessary, because under Article VI of the United States Constitution the Treaty itself would empower courts in the United States to entertain actions arising under Article II of the Treaty.

I am etc.

JAMES BRYCE

552. *Newfoundland Order in Council*[2]

September 29, 1911

The Committee of the Executive Council have had before them a certified copy of a report of the Committee of the Privy Council of Canada, approved by His Excellency the Governor General on the 20th April, 1911; also copy of a report of the Committee of the Honourable the Executive Council of the Province of Quebec, dated 30th March, 1911, in relation to grants which have been issued by the Government of Newfoundland for land in the disputed territory on Labrador.

Ministers desire to observe that, while it is quite true that the ownership of certain of the land granted by the Newfoundland Government is in dispute, they cannot admit that in granting the same they are in any way prejudicing the position of the Province of Quebec or of any other claimants to the said land.

Ministers claim that the limits over which they have issued these grants are within the jurisdiction of the Government of Newfoundland on Labrador. No possible loss or inconvenience can be caused to the Province of Quebec, or to the Dominion of Canada, by reason of the issuing of said grants, for if it should afterwards transpire that in issuing the same the Government of Newfoundland was not within its rights, then the grants will be of no effect.

[1] 1-2 George V, 1911, Ch. 28.

[2] Transmitted to the Governor General, October 2, 1911.

As regards third parties being affected, such as persons advancing money for the development of these properties, Ministers desire to observe that it is perfectly inconceivable that the large sum which would be required to develop and operate the contemplated works would be advanced by any persons without first making themselves acquainted with the full character of the dispute between the Government of the Dominion and that of Newfoundland. Ministers are aware that this dispute is well known to and understood by the holders of all grants issued in the disputed territory, as well as by the large group of investors who have been for a great many years dealing in the development of the timber areas in this region.

553. *Colonial Secretary to Governor General*

DESPATCH 874 Downing Street, October 28, 1911

Sir,

With reference to Lord Grey's despatch No. 497 of the 10th of December 1907, and to the despatch to Your Royal Highness's predecessor from the Officer Administering the Government of Newfoundland of 2nd October (No. 106), I have the honour to acquaint you, for the information of your Ministers that the Officer Administering the Government of Newfoundland reports that on the advice of his Ministers he is signing a further grant of land within the area claimed by the Government of Quebec as being within the boundaries of that Province.

I have etc.

L. HARCOURT

554. *Deputy Minister of the Interior to Under-Secretary of State for External Affairs*

Ottawa, December 16, 1911

Dear Sir,

I duly received your reference No. 106, dated 2nd October, 1911, from the Deputy Governor of Newfoundland to the Governor General, in regard to the granting of timber limits by the Government of Newfoundland for lands within the disputed area. In this relation I am hereto attaching a copy of a report which has been made on the subject by Dr. W. F. King, Boundary Commissioner.

Yours truly,

W. W. CORY

[ENCLOSURE]

The Labrador Boundary Question

Jurisdiction over the Labrador Coast from River St. John to Hudson's Strait was given to Newfoundland by the Royal Proclamation of October 7th, 1763. It was transferred to Quebec by the Quebec Act, 1774, and re-annexed to Newfoundland by an Act of 1809.

By an Act of 1825, the boundary line between Quebec and Newfoundland was moved east to Anse Sablon. Section 9 of this Act provided "that so much of said Coast as lies to the westward of a line to be drawn due north and south from the bay or harbour of Anse Sablon, inclusive, as far as the fifty-second degree of north latitude, with the Island of Anticosti and all other islands adjacent . . . are hereby re-annexed to and made part of the said Province of Lower Canada . . ."

By Imperial Letters Patent, 1876, providing for the office of Governor of Newfoundland and its Dependencies, the jurisdiction of Newfoundland on the mainland is defined:

> All the Coast of Labrador from the entrance of Hudson's Strait to a line to be drawn due north and south from Anse Sablon on the said Coast to the 52nd degree of north Latitude, and all the islands adjacent to that part of the said Coast of Labrador.

The dispute hinges on the meaning of the word "Coast."

Newfoundland it seems claims the "hinterland" as well as the "Coast," that is all that territory draining into the Atlantic Ocean along the coast as above defined. Sometimes the claim has been referred to as covering the triangle bounded by the Atlantic Ocean, the parallel of 52° latitude, and the meridian of longitude 64°. This is approximately the same area.

The Canadian claim would limit Newfoundland's territory to a narrow strip adjacent to the coast. In this regard comes into consideration the Hamilton Inlet with the salt-water Lake Melville. This inlet is 15 miles wide at its mouth, narrows at Rigolet to 1 mile then expands into Lake Melville, which is 90 miles long and 20 wide. This lake is the outlet of the Grand or Hamilton River, along which lie the timber limits and water-powers, which have been the most important factors in the boundary dispute.

The Canadian Act of 1898 (61 Vic. Chap. 3) defining the northern limits of the Province of Quebec, assumes that Newfoundland is limited to a mere strip of the coast. The boundary line is defined as following the Hamilton River "to the Bay of Rigolet or Hamilton Inlet, and thence easterly along the middle of the said bay or inlet until it strikes the westerly boundary of the territory under the jurisdiction of Newfoundland."

More recent matters connected with the boundary dispute are:
18th Dec. 1902, the Quebec Government called attention to the issue by Newfoundland of a license to cut timber on Hamilton River.

These representations were brought to the notice of the Newfoundland Government through the Colonial Office. That Government maintaining its claim to the territory in question, the Colonial Secretary suggested that steps be taken to have the dispute settled by the Courts. To this the Dominion Government agreed.

After a good deal of correspondence the Governor of Newfoundland, on Oct. 2nd, 1907, notified the concurrence of his Government in the proposal to submit the dispute to the Judicial Committee.

The Canadian Order in Council of 3rd Dec. 1907, expressed the concurrence of the Canadian Government, and suggested that the Newfoundland Attorney General be put in communication with the Minister of Justice to arrange as to the procedure for bringing the question before the Privy Council.

There seems to have been difficulty in this regard for the Order in Council of 16th April, 1909, dealing with a request by the Quebec Government that it be made a party to the reference, stated that it had not, up to that time, been possible to conclude a definite arrangement with Newfoundland for the taking of formal proceedings.

There is no later information on the subject in this Department, nor, so far as could be learned, in the Department of External Affairs.

W. F. KING

555. *Burn & Berridge to Colonial Secretary*

London, July 1, 1912

LABRADOR BOUNDARY

Sir,

We act as London Solicitors for the Government of Newfoundland, and acting on the instructions of that Government, on the 5th April 1910 we submitted to Messrs. Charles Russell & Co., the Solicitors in London for the Government of the Dominion of Canada, a draft proposed agreement preliminary to the submission of the questions which have arisen between the two Governments as to the Labrador boundary for the decision of the Privy Council. The completion of this agreement, a draft of which we enclose herewith, is a necessary preliminary to the matter being referred to the Privy Council in the manner approved by the Rt. Hon. the Secretary of State for the Colonies—Mr. Lyttelton, as shown by his dispatches dated the 20th May, 1904, to Lord Minto, and to the Governor of Newfoundland.

Although since the draft proposed agreement was submitted to Messrs. Charles Russell & Co. we have made many communications to them, the matter has not proceeded any further nor has the agreement been completed and our object in addressing this communication to you, on the instructions of the Prime Minister of Newfoundland, is to respectfully request that you will do what is possible to press the matter on the attention of the Government of Canada so that the agreement may be completed and the matters in dispute be duly referred to and disposed of by the Judicial Committee of His Majesty's Privy Council.

We may add that difficulties and delays have arisen in regard to the exploitation of licenses granted by the Government of Newfoundland, and it is very necessary that the matter should be disposed of with as little delay as possible.

Mr. M. H. Furlong, K.C., of St. John's, Newfoundland, who is acting in this matter in Newfoundland on behalf of the Government is at present in London, and will be happy to attend at the Colonial Office and furnish you with any further information in his power.

We are etc.

BURN & BERRIDGE

[ENCLOSURE]

In the Matter of the Labrador Boundary

WHEREAS a question has arisen between the Government of Canada in the right of the Dominion or of the Province of Quebec on the one hand and the Government of the Colony of Newfoundland on the other hand as to the position of the boundary by which the territory of the Dominion of Canada is delimited from that part of the territories of the Colony of Newfoundland which is called Labrador; it is hereby agreed by and on behalf of the respective Governments aforesaid that the question which has arisen between them shall be submitted for decision to the Judicial Committee of the Privy Council under the provisions of s. 4 of 3 & 4 Will. IV. c. 41 and that subject to the approval of the Judicial Committee the procedure shall be as follows with such variations or additions as may be agreed upon or as the Judicial Committee may direct:

1. Each Government shall within a fixed time to be mutually agreed, present to the other a printed case setting forth the substance of any evidence whether documentary or otherwise upon which it intends to rely in support of its view as to the correct position of the boundary line between the territories aforesaid and identifying any maps, books, documents or records referred to in the said case.

2. The two Governments shall exchange cases within a further fixed period to be mutually agreed, each Government shall be at liberty to present to the other a printed counter-case and to include in such counter-case evidence not contained in its case.

3. The two Governments shall thereupon petition His Majesty the King for a decision on the question so put in issue.

4. Upon the reference of the matter by His Majesty to His Privy Council either of the two Governments shall be at liberty at any time to apply to the Judicial Committee to have the case set down for hearing.

5. The procedure to be followed at the hearing shall be left to the decision of the Judicial Committee who may, if they think fit, direct or permit evidence to be taken on commission and may receive any evidence which having regard to the nature of the case they may think material and proper to be considered whether the same is or is not contained in the printed cases or counter-cases.

6. The costs of the case shall be in the discretion of the Judicial Committee which shall have power to award or to withhold costs.

556. *Governor General to Ambassador in United States*

DESPATCH 145 Ottawa, November 23, 1912

Sir,

I have the honour to transmit, herewith, for Your Excellency's consideration, copies of an approved Minute of the Privy Council for Canada on the subject of the Calumet and Sag Channel.

Your Excellency will observe that my responsible advisers view the making of this Channel with grave concern and would be glad if Your Excellency will protest to the United States Government against its construction being allowed to continue, on the grounds that it would be highly detrimental to the interests of the Dominion.

I have etc.

ARTHUR

[ENCLOSURE]

Order in Council

P.C. 3249 November 19, 1912

The Committee of the Privy Council have had before them a report, dated 16th November, 1912, from the Right Honourable the Secretary of State for External Affairs, stating that it has been represented to him that work has been commenced by the City of Chicago and is in progress, on a new channel called the Calumet and Sag Channel, having for its object the diversion of water from Lake Michigan to the Chicago Sanitary Canal.

The Minister submits that this work is a further menace to the navigation of the Great Lakes and the River St. Lawrence; the present diversion has lowered Lake Huron 4¼ inches and the new channel would lower it 2½ inches, additional, making a total loss of 6¾ inches. As each inch represents a loss of 68 tons in the cargo-carrying capacity of the largest boats, it is evident that this would result in a loss on each trip of no less than 459 tons.

The Minister represents that the Calumet and Sag Channel will carry 4,000 cubic feet per second. At present, with an authorized diversion of 4,167 cubic feet per second, the City of Chicago actually takes from 7,000 to 8,000 cubic feet per second. This will mean that when the Calumet and Sag Channel is completed, the City of Chicago will be diverting three times the amount of water authorized.

The Committee, on the recommendation of the Secretary of State for External Affairs, advise that Your Royal Highness may be pleased to request His Majesty's Ambassador at Washington to inform the United States Government that Canada views the making of this Calumet and Sag Channel with grave concern, and on the ground that it would be highly detrimental to the interests of the Dominion, to protest to the United States Government against its construction being allowed to go on.

All which is respectfully submitted for approval.

557. *Order in Council*

P.C. 398 February 21, 1913

1. The Committee of the Privy Council have had before them a report, dated 17th February, 1913, from the Right Honourable the Secretary of State for External Affairs, upon a despatch from His Majesty's Ambassador at Washington, dated 30th December, 1912, on the subject of the diversion of water from Lake Michigan to the Chicago Sanitary Drainage Canal.

2. The Minister observes that this despatch conveyed to Your Royal Highness an expression of the opinion of the United States Government that Your Royal Highness's advisers had been misinformed in the matter; and that, as by the terms of the War Department permit under which the Calumet and Sag Channel is being constructed, the amount of water to be withdrawn through the Chicago and Calumet Rivers together would not exceed the total amount (4,167 cubic feet per second) already authorized to be withdrawn through the Chicago River alone, no danger to navigation interests need be apprehended.

3. The Minister has submitted to the Department of Public Works, to the Department of Marine and Fisheries and to the Commission of Conservation the opinion expressed by the Government of the United States and has the honour to submit a memorandum,[1] hereto attached, embodying the views (in which he entirely concurs) that have thus been elicited from the two Departments and from the Commission.

4. The Minister states that no official information was received by the Canadian Government with regard to the construction of the canal or the request for diversion of water, and consequently no protest was made at the time by that Government. Notwithstanding such absence of notice Canada's failure to protest has been advanced as a reason for assuming her acquiescence in the proposal to divert 10,000 cubic feet per second, a fact which renders it the more desirable that Canada shall now make plain its attitude of steadfast opposition to the policy involved in the proposed diversion.

5. Your Royal Highness's advisers have already pointed out in the Minute of Council, approved on the 19th November, 1912, the serious detriment to navigation interests caused by the diversion of water from Lake Michigan and the consequent lowering of the levels of the Great Lakes. It is pertinent to observe further that the full effect of this diversion is at the present time mitigated to some extent by the fact that it is made from a reserve that has accumulated in these years of plenty. There is every reason to apprehend that when years of low precipitation return the harmful effects will be still more severely felt.

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[1] Not printed. The substance of the memorandum referred to is implicit in the text of this Order in Council.

6. Considering, therefore, the fact that in practice the Chicago Sanitary District has greatly exceeded the provisions of the War Department permit; considering further its avowed policy largely to increase the present diversion, and having regard to the fact that the proposed Sag and Calumet Channel cannot be of service for sanitation purposes unless the diversion at present permitted should be increased, and that its construction would permit of a largely increased flow through the portion of the channel between Sag and Lockport which cannot under existing conditions take place without danger to navigation in the main channel between Lake Michigan and Sag, Your Royal Highness's advisers are constrained to regard the construction of the proposed channel as constituting a grave menace to important Canadian interests; and they consider it desirable that Canada's protest as put forward in the Minute of Council approved by Your Royal Highness on the 19th November should be maintained, on the ground that any diversion of water from Lake Michigan which prejudicially affects the navigation of the Great Lakes constitutes an invasion of the rights secured to Canada by the Ashburton-Webster Treaty of 1842 in the channels in the River St. Lawrence and in the River Detroit and in the other passages and channels referred to in Article VII of that Treaty, and further of the rights of navigation in boundary waters and in Lake Michigan to which this Dominion is entitled under Article I of the Boundary Waters Treaty of 1909.

7. While relying upon the provisions of the treaties above mentioned and any other relative treaties and conventions, Your Royal Highness's advisers are not prepared to admit, and they do not admit that apart from these treaties the authorities of the United States or the authorities of any State have the right under the recognized principles of international law to divert from Lake Michigan by any means, or for any purpose, such an amount of water as will prejudicially affect the navigation of boundary waters in which both Canada and the United States are deeply and vitally interested. It is submitted moreover that the navigation of these boundary waters, upon the improvement and development of which as international waterways each country has spent many millions of dollars, ought to be secured absolutely from injurious diversion on either side of the boundary line to the end that the interests of navigation and commerce, common to both countries, may be adequately preserved.

The Committee, on the recommendation of the Secretary of State for External Affairs, advise that Your Royal Highness may be pleased to forward a copy of this Minute, if approved, to His Majesty's Ambassador at Washington with a request that he make representations to the United States' Government in the sense thereof maintaining the protest against the proposed construction of the Calumet-Sag Channel and against the continued injurious affection of the said boundary waters.

All which is respectfully submitted for approval.

558. *Ambassador in United States to Governor General*

DESPATCH 40
Sir, Washington, March 25, 1913

I have the honour to transmit herewith copy of the note which I have addressed to the United States Government in pursuance of the instructions contained in Your Royal Highness's despatch No. 16 of February 25 regarding the Calumet and Sag Channel.

The United States Government have promised to give careful consideration to the views of Your Royal Highness's Government.

I have etc.

JAMES BRYCE

[ENCLOSURE]

Ambassador in United States to Secretary of State of United States

No. 67
Sir, Washington, March [n.d.], 1913

On receipt of your predecessor's note No. 1713 of the 24th of December last[1], relative to the protest of the Canadian Government against the construction of the Calumet and Sag Channel for the diversion of water from Lake Michigan, I at once communicated the information contained in that note to the Canadian Government.

In reply, the Governor General has sent me a memorandum, of which a copy is enclosed, questioning the correctness of the statements furnished to the State Department by the Department of Engineers.

This memorandum, which is based on information obtained from the Canadian Department of Public Works, the Department of Marine and Fisheries and the Commission of Conservation, represents the views of the Canadian Government, who, in calling attention to it, offer the following further observations:

They state that: No official information was received by the Canadian Government with regard to the construction of the canal or the request for diversion of water, and consequently no protest was made at the time by that Government. Notwithstanding such absence of notice, Canada's failure

[1] Not printed. The note, forwarding the substance of a report by the Chief of Engineers, United States Army, expressed confidence that this explanation of the situation would satisfy the Canadian authorities that they had been misinformed regarding the result of the new channel. The water to be withdrawn from Lake Michigan, through the Chicago and Calumet Rivers together, would not exceed the total amount (4,167 cubic feet per second) already authorized to be withdrawn through the Chicago River alone. The report stated that any final decision on the total amount of water to be diverted, still under consideration by the Secretary of War, would apply to the entire diversion whether through a single entrance channel or through two entrance channels.

to protest has been advanced as a reason for assuming her acquiescence in the proposal to divert 10,000 cubic feet per second, a fact which renders it the more desirable that Canada should now make plain its attitude of steadfast opposition to the policy involved in the proposed diversion.

The serious detriment to navigation interests caused by the diversion of water from Lake Michigan and the consequent lowering of the levels of the Great Lakes has already been pointed out. It is pertinent to observe further that the full effect of this diversion is at the present time mitigated to some extent by the fact that it is made from a reserve that has accumulated in these years of plenty. There is every reason to apprehend that when years of low precipitation return the harmful effects will be still more severely felt.

Considering, therefore, the fact that in practice the Chicago Sanitary District has greatly exceeded the provisions of the War Department permit; considering further its avowed policy largely to increase the present diversion, and having regard to the fact that the proposed Sag and Calumet Channel cannot be of service for sanitation purposes unless the diversion at present permitted should be increased, and that its construction would permit of a largely increased flow through the portion of the channel between Sag and Lockport, which cannot, under existing conditions, take place without danger to navigation in the main channel between Lake Michigan and Sag, the Canadian Government regard the construction of the proposed channel as constituting a grave menace to important Canadian interests; and they consider it desirable that Canada's protest as already put forward should be maintained, both on the ground that any diversion of water from Lake Michigan which prejudicially affects the navigation of the Great Lakes infringes the rights secured to Canada by the Ashburton-Webster Treaty of 1842 in the channels in the River St. Lawrence and in the River Detroit and in the other passages and channels referred to in Article VII of that Treaty, as well as the rights of navigation in boundary waters and in Lake Michigan to which the Dominion is entitled under the Boundary Waters Treaty of 1909, and also on the ground that apart from these Treaties the authorities of the United States or the authorities of any state have not under the recognized principles of international law any right to divert from Lake Michigan by any means, or for any purpose, such an amount of water as will prejudicially affect the navigation of boundary waters in which both Canada and the United States are deeply and vitally interested. The navigation of these boundary waters, upon the improvement and development of which as international waterways each country has spent many millions of dollars, is a question of vital interest to both the United States and Canada, and it should be secured absolutely from injurious diversion on either side of the boundary line to the end that the interests of navigation and commerce, common to both countries, may be adequately preserved.

I am desired earnestly to draw the attention of the United States Government to the views of the Canadian Government as here expressed on a

question to which they attach great importance, and to urge that the whole matter shall be re-examined with a view to securing in the best manner the common and general interests of all the regions adjoining the Great Lakes and of meeting the serious objections which the Canadian Government entertain to the continuance of the works against which they consider it their duty to protest.

I have etc.

J. BRYCE

559. *Ambassador in United States to Prime Minister*

PRIVATE

My dear Mr. Borden, Washington, April 1, 1913

We have to-day ascertained, and have reported to you by telegram, that the information conveyed in the note from the State Department regarding the amount of water actually diverted from Lake Michigan by the Chicago Sanitary District failed through some carelessness to give an accurate presentation of the facts of the case. I gather from private communication with the War Department that the report which they sent contained a good deal more than was embodied in the Note. There does not seem to have been any intention to suppress anything material, but the State Department does not seem to have fully understood the importance or bearing of the information given to them and so to have omitted part of it.

There is, as you know, considerable divergence of opinion as to where the dividing line comes between the rights of the States and the rights of the Federal Government as to the diversion of water, and while the permit of the Federal Government to the Company dealing with the Chicago sewage limits them to about 4,000 cubic feet per second, it is stated that the State Government compels the company to take about 8,000 cubic feet (if I remember rightly) under penalty of having their charter annulled.

It is the express intention of the Chicago authorities to continue to divert water from the Calumet River through the new channel in defiance of the Order of the War Department, and the Federal Government has commenced a suit against them for the purpose of restraining them from making any such diversion. The late Secretary of War had, I understand, issued an order prohibiting the city from diverting water in excess of the quantity permitted and asking what steps the city proposed to take to conform to the order. To this request no reply has yet been returned. In the meanwhile a record of the actual amount taken is being kept, and every month the city is served with a notice calling the attention of its authorities to the excess they are taking.

I am given to understand that it would be virtually impossible under present conditions to restrict the city to the amount stated in the permit, because it would not suffice for the dilution of the sewage. The only way to deal with the problem is said to be by chemical treatment of the sewage, and it seems that up to the present it has not been possible to get the city to take sufficiently energetic action for this purpose. The processes are difficult and

expensive. Suits are now pending against the city which have been brought by persons having rights along the banks of the channel through which the sewage is now discharged below Chicago for compensation for damage done by the pollution of the waters.

I have no reason to doubt that the United States authorities are in earnest in their attempts to bring the city of Chicago into line, but as you are aware the authority of the Federal Government over the States is far from being as thorough as might be wished and this fact seriously complicates all international questions. There is some risk that Congress might be induced to give them power to increase the quantity they take; but an effort to secure this would be strongly resisted by the States fronting on the Great Lakes.

Under the circumstances I should feel doubtful of the advisability of publishing such a formal protest as is contained in the Order in Council sent to me, especially as it refers to information which now appears to have been inaccurately given by the State Department. But, of course, there may be considerations in Canada, not known to me, rendering such a course advisable.

Recalling our recent conversation at Ottawa in which you mentioned to me your idea that all the questions relating to the basin of the Great Lakes and all the waters therein ought to be considered as a whole, I took occasion to suggest to the Secretary of State and also to Mr. Burton, Senator from Ohio, who has long given special attention to these matters, that a general inquiry conducted by a Commission of Canadians and citizens of the United States had occurred to your mind and might be useful for the elucidation of these large and difficult problems. Both of them entertained the suggestion favourably.

If you were to send to me a memorandum setting out the advantages to be expected from such a comprehensive enquiry as you contemplate, the topics it might cover and the kind of Commission to which it might be entrusted—for I think you conceived that it would rather transcend the powers of the existing International Waters Joint Commission—it might be submitted to the President or the Secretary of State here, and be profitably discussed with them with a view to the formation of a plan for such an enquiry. I should like, with your permission, to show such a memorandum also to Senator Burton, who entered warmly into the idea, and to Senator Root, in whose days of office the International Waters Treaty was passed.

Believe me etc.

JAMES BRYCE

560. *Order in Council*

P.C. 305 February 9, 1914

The Committee of the Privy Council have had before them a report, dated 3rd January, 1914, from the Right Honourable the Secretary of State for External Affairs, representing that it is expedient to settle more precisely the procedure to be followed in cases coming within the operation of the Boundary Waters Treaty with the United States of the 11th January, 1909,

in which the approval of the International Joint Commission under that Treaty is sought of applications made by private persons or corporations for the authorization of the use, obstruction or diversion of boundary waters in accordance with the provisions of Articles III and IV of the Treaty.

The Minister submits that in accordance with the existing rules of procedure adopted by the Commission such private persons and corporations are required to make application in the first place to the Government having jurisdiction over the waters in which the desired privilege is to be exercised, the application being transmitted to the Commission by such Government;

That some doubt appears to exist whether this transmission should follow as a matter of course without the necessity of a decision by the Government as to the expediency of authorizing the project for which approval is sought.

The Minister observes that in the case of the Michigan Northern Power Company, recently before the Commission, and in the connected case of the Algoma Steel Corporation, Limited, that Tribunal maintained the view that the projects submitted to it for approval must have the prior approval of the appropriate department of the Government by whose authority they would be carried out.

The Minister further considers it objectionable on principle that a scheme, to which exception might be taken on grounds of domestic policy, should be allowed to go to a tribunal whose jurisdiction only arises when international considerations come into play, before it has been fully considered from the domestic standpoint.

The Minister recommends, therefore, that applications of the nature referred to be first submitted to the expert officers of the appropriate departments for examination and report, and afterwards considered, with the reports of these officers, by Your Royal Highness in Council with a view to deciding whether they should be referred to the International Joint Commission.

The Committee, concurring, submit the same for approval.

561. *Governor of Newfoundland to Governor General*[1]

TELEGRAM St. John's, February 18, 1914

My Ministers desire following message to be transmitted with regard to settlement of question of the Labrador Boundary. Begins. Referring to paragraph in the report of the Privy Council of Canada in which it is stated that the slow progress which has been made in the settlement of the dispute as to the boundary between Canada and Newfoundland in Labrador has not been fault of Government of Canada, the Government of Newfoundland declare that cause of delay is in no way theirs and that they are most desirous of having the matter referred for settlement as quickly as possible. Representatives of Newfoundland have offered to representatives of Canada to refer question as to what as a matter of fact is and what has been

[1] The telegram bears a note by the Under-Secretary of State for External Affairs reading "Mr. Borden thinks it scarcely necessary to reply to this despatch".

the boundary between Newfoundland and Canada or the Province of Quebec in Labrador but the representatives of Canada have refused to refer this question in any (?) language and will agree only to refer question of what under existing circumstances ought to be such boundary and to this Newfoundland in its turn have been unable to agree. Ends. I venture to hope that issue referred to the Privy Council may determine the question: what is and has been the boundary between Canadian and Newfoundland Labrador?

DAVIDSON

562. *Ambassador in United States to Governor General*

DESPATCH 41 Washington, February 28, 1914

Sir,

With reference to my despatch to Your Royal Highness, No. 9 of January 19th, and Your Royal Highness's despatch No. 24 of February 14th, regarding a resolution passed by the Senate on July 10 last, calling for an international agreement for the joint improvement of boundary waters, I have the honour to transmit herewith copies of a note which I have received from the Secretary of State, proposing that this question should be referred to the International Joint Commission under Article IX of the Treaty of 1909, and submitting a draft of the terms of reference to the Commission.

I am forwarding copy of this note to the Foreign Office and I shall be glad to receive the views of Your Royal Highness's Government with regard to it.

The following points occur to me as worthy of consideration.

1. Can Article IX be held to cover the reference of questions regarding Lake Michigan, or will it be argued that the interests of Chicago, for instance, are not interests "along the common frontier"? A general study of conditions in the basin of the Great Lakes would appear to be largely futile unless all questions regarding Lake Michigan are covered by it; but it may be as well to secure a definite statement from the United States Government of their intentions in this respect, and above all to safeguard ourselves from the possibility of any disclaimer of jurisdiction on the part of the Commission. In this connection it might also be well to ascertain whether under Section 2 (a) of the terms of reference the United States Government intend to refer the question of the Chicago Drainage Canal to the Commission, though it may not be advisable at present to ask definitely for its inclusion in the reference, since the United States Government is at the moment supporting the Canadian view of the matter against the City of Chicago before the courts. Also, if the Commission is given under Article IX and the terms of reference full powers to report upon the Lake Michigan system, can we refuse to permit it to consider such Canadian questions as the Georgian Bay Canal project?

2. Section 3 of the terms of reference appears to touch a matter more properly belonging to the International Fisheries Commissioners under the

Treaty of 1908. It might perhaps be undesirable to split up the terms of reference by referring this question to those Commissioners, but if so, it might be well to state that the Joint Commission should carry out this part of their investigations with the assistance of the United States and the Dominion Fisheries Commissioners.

3. The purview of the Commission is made very wide, especially perhaps in Section 4 where they are instructed to consider the relative merits of "state, provincial or federal governmental ownership". The United States Government very probably desire to strengthen their hands against the State Governments by the report of the Commission on this point, which would probably be in favour of unified control in the United States at least.

I understand that the Chairman of the American Section of the Commission has been in consultation with the State Department regarding the terms of reference. In this connection I would draw your attention to pages 100 and 115-117 of the enclosed record of Mr. Tawney's evidence before a Committee of the House of Representatives.[1] In his evidence Mr. Tawney touches on many of the questions before the Commission, and attempts to give such a clear idea of its duties as may contradict the impression prevalent in many quarters in the United States that the Commission is a sinecure body for the benefit of political appointees.

I have etc.

CECIL SPRING RICE

[ENCLOSURE]

Secretary of State of United States to Ambassador in United States

No. 262

Washington, February 24, 1914

Excellency,

On the 10th of July last the Senate of the United States unanimously adopted a resolution, which was offered by Senator Townsend of Michigan, requesting the President to enter into negotiations with Great Britain with a view to secure an international agreement for the concurrent or co-operative improvement of navigation in the boundary waters of the United States and Canada, for the advancement of the commerce of the two countries.

Since the passage of the resolution of the Senate, further consideration of the subject by those who are interested in it has satisfied them that a new international agreement is unnecessary for the reason that the Treaty of January 11, 1909, concerning the boundary waters between the United States and Canada, enables the two Governments to make the necessary investigation of the subject by means of the International Joint Commission, for which the treaty provides and which is already in existence.

[1] Hearings before the Committee on Foreign Affairs, House of Representatives, 63rd Congress, 2nd Session, January 30 and February 4, 1914.

While Article VIII of the Treaty confers upon the International Joint Commission definite jurisdiction of certain specified subjects, Article IX provides that "any other questions" or "matters of difference" arising between the High Contracting Parties, "involving the rights, obligations, or interests of either in relation to the other or to the inhabitants of the other along the common frontier," "shall be referred from time to time to the International Joint Commission for examination and report," whenever either the United States or Canada shall so request. In such case it is provided that the reports of the Commission shall not have the character of an arbitral award, but shall embody the facts and circumstances as they have been found to exist, together with such conclusions and recommendations as may be appropriate, subject, however, to any restrictions or exceptions which may be imposed by the terms of reference.

In conformity with the foregoing stipulations, the Department has the honour on the part of the Government of the United States to request that there may be referred to the International Commission for examination and report the following questions:

1. In order to secure the most advantageous use of the waters of the Great Lakes, connecting waterways and rivers forming the boundary between the United States and Canada from tide-water on the Atlantic Coast to the head of the Great Lakes for deep water navigation and transportation purposes, for fishing purposes, and for power purposes, and also to secure the most advantageous use of the shores and harbours on said lakes, connecting waterways, and rivers, in connection with such deep waterway navigation and transportation purposes, is it practicable, feasible and desirable for the Government of the United States and the Government of the Dominion of Canada to adopt any plan for the co-operative and concurrent improvement of these navigable boundary waters, either by concurrent or reciprocal legislation or by special agreement between them to the extent of constructing and developing a deep waterway for ocean-going vessels of ordinary draught throughout said lakes, connecting waters and rivers?

2. If the foregoing questions are answered in the affirmative, then to what extent will the enlargement of the existing canals and the creation of new canals, under projects already adopted, or under consideration, require increased or new diversion of water from the original connecting channels of the boundary waters of the St. Lawrence and Great Lakes systems and to what extent will such change in diversion affect the water levels, the available channels, and the waterway currents of the Great Lakes and connecting waterways; and what benefits and injuries are liable to result therefrom to the navigation or to other business interests or properties of the two countries? In this relation consideration should be given to—

(*a*) Not only cases where canals have a continuous downstream flow without summit levels, but also cases where, for purposes of water supply

or sewerage or other business, or to reduce trouble or cost of service, water may be pumped into or across summit levels.

(*b*) Also, not only existing and prospective foreign and domestic boat commerce but also rail commerce and all other affected business interests, in determining relative benefits and injuries to the two countries.

(*c*) Also, if water levels are found to be seriously affected, what level would be most beneficial to all interests concerned in both countries, to be fixed and maintained during and after the close of the navigation season, the benefits and damages to overflowed or drained lands and to other affected business, the possibility and desirability of establishing compensating and regulating works to maintain and regulate these water levels?

3. To what extent will the fisheries of the Great Lakes basin be affected by the opening or other changes in the routes of fish travel? In this relation consideration should be given to usefulness and desirability of additional fishways.

4. To what extent will present and future changes in navigation routes as contemplated in the first questions, make possible the utilization of water for power purposes either along the canals or improved waterways, or along waterways where use by navigation may thereby be rendered unnecessary or much less important than theretofore? In this relation consideration should be given to—

(*a*) The effect upon scenic features and upon interests of the travelling and home public by change in character of water flow, as well as the possibility of substitution of other scenic effects and like interests therefor.

(*b*) Also the probable utilization and benefits of the new power in electric and industrial development in both countries, and upon the urban and suburban development initiated thereby.

5. In all the above cases of canals, fisheries, as well as fishways, water-powers, and new industries, where construction works are involved, the cost of original construction and also of operation and maintenance; the amount of expected income from the new development; the possibility and desirability of state, provincial or federal governmental ownership; the relative interests of the two countries and their political sub-divisions therein; and a proper division of the costs as well as resulting benefits, should receive consideration.

The Department would be glad to be advised of the views and action of the Government of the Dominion of Canada on the foregoing questions as soon as may be convenient.

I have etc.

J. B. Moore

For Secretary of State

64014—29½

563. *Newfoundland Order in Council*

April 25, 1914

Committee of Council had under consideration Minute of His Excellency the Governor of date 12th March, covering despatch under date 4th March, from His Royal Highness the Governor General of Canada; also minute of His Excellency the Administrator, of date 20th March, covering copy of telegram from the Right Honourable the Secretary of State for the Colonies, both in reference to the Labrador Boundary Question.

Ministers beg to submit the following in relation to this question:

1. The negotiations referred to in paragraph 8 of the report of the Committee of the Privy Council of Canada, dated February 27th, 1914, as being entered into for the purpose of entering into an agreement as to the procedure to be adopted for bringing the matter of the Labrador boundary before the Judicial Committee of the Privy Council were really not at all concerned with the matter of procedure. The question of the procedure was at no time in dispute nor was there any difficulty at any time as to the settlement of this matter of procedure. The actual difficulty was as to the question to be submitted, Newfoundland from the beginning of the negotiations always insisting that the only question which was agreed to be submitted was as to the position of the boundary *de facto* between the two jurisdictions.

2. In the despatch of Lord Minto to the Right Hon. the Secretary of State for the Colonies, Mr. Lyttelton, dated the 20th of April, 1904, enclosing an approved Minute of the Privy Council of Canada, dated the 18th of April, 1904, it is stated that the authorities of the Province of Quebec request "that the question of the position of the boundary between the Dominion and Newfoundland Labrador may be submitted, etc." In the Minute of Council enclosed the words are "that the question of the position of the boundary between the Newfoundland Labrador and the Dominion of Canada may be submitted etc." In the immediately subsequent correspondence beween the Secretary of State and the Governor General of Canada and the Governor of Newfoundland and the Governor General of Canada, the phrase above referred to merely for convenience was abbreviated to the "question of the boundary" instead of the "question of the position of the boundary," but the only question which had then arisen as to the boundary was what and where was its position.

3. In 1909 a form of agreement was sent to the authorities of the Dominion of Canada which recited that "Questions have arisen between Canada in right of the Dominion or of the Province of Quebec and the Colony of Newfoundland as to the position of the boundary between Newfoundland Labrador and the Dominion of Canada." The Government of the Dominion of Canada did not at this time either assent to or dissent from this form of agreement. In this same year negotiations were entered into in London between Messrs. Burn & Berridge, Solicitors for the Government of New-

foundland, and Messrs. Charles Russell & Co. for the Dominion of Canada, with the result that another draft agreement slightly differing in form from that submitted in 1909 was settled by Mr. Raymond Asquith with the approval of the representatives of Newfoundland in Newfoundland and was in the year 1910 submitted to the Solicitors for the Dominion, but beyond a mere acknowledgment no reply was at that time received. Messrs. Burn & Berridge for nearly two years subsequent to this pressed Messrs. Russell & Co. for a reply and it was finally thought advisable to deal directly with the authorities of the Dominion of Canada. Accordingly the Solicitor for the Government of Newfoundland in the matter on the 11th of April 1912 requested the Deputy Minister of Justice to give this matter his attention and after some correspondence on the 8th of February, 1913, the Deputy Minister . . . wrote refusing to accept the agreement submitted by Messrs. Burn & Berridge and agreeing to accept the agreement submitted by the Government in 1909 with certain alterations. These alterations for the first time indicate the unwillingness of Canada to submit for decision the question of the position of the boundary and its desire to submit broadly and vaguely the question of the boundary. For the recital in the original agreement that "Questions have arisen between Canada in the right of the Dominion or of the Province of Quebec and the Colony of Newfoundland as to the position of the boundary between Newfoundland Labrador and the Dominion of Canada" the following alteration was asked for: "The Government of the Dominion of Canada having agreed with the Government of the Colony of Newfoundland to submit to His Majesty in Council the question of the Labrador boundary between Canada and Newfoundland." Certain other alterations were suggested for the purpose of making clear the fact that the question submitted was not the *de facto* boundary but what ought to be the boundary and probably what ought to be the boundary from the considerations of expediency, policy and convenience. This agreement, of course, Newfoundland refused to accept and there never has been any agreement to refer the question Canada desires to refer or to refer the question in the form suggested.

4. Subsequently in the same year negotiations were again opened in London between Messrs. Charles Russell & Co. for Canada and Messrs. Burn & Berridge for Newfoundland and several drafts were submitted but Canada refused to recede from the position it had taken and definitely refused to submit as the sole question for determination, namely, what is the boundary *de facto*. On December 4th 1913, Messrs. Charles Russell & Co. wrote Messrs. Burn & Berridge as follows: ". . . Our clients cannot entertain your suggested amendment (namely 'what is in fact the boundary between Canada and Newfoundland in Labrador') because it appears to them that it ignores the whole occasion of the reference which is the absence of any boundary in fact. We do not dispute that the agreement come to in July was not to bind either party but we did not anticipate that after the careful consideration given to the matter by you and your Counsel your client would make such a drastic alteration." It is necessary to keep in mind

in connection with this letter the words quoted above as used in the despatch from Lord Minto to Mr. Lyttelton of the 20th April, 1904, and the approved Minute of the Privy Council of Canada of the 18th April, 1904, and in the two agreements submitted respectively in 1909 and 1910, which show that the occasion of the reference was not the absence of any boundary in fact, but a dispute as to the position of the said boundary in fact.

His Excellency the Administrator to be moved to transmit copy of this Minute to the Right Honourable the Secretary of State for the Colonies, with a request that he will advise His Majesty the King to refer to the Judicial Committee of the Privy Council, under Section 4 of Cap. 41, 3 and 4 William IV, the question as to what is *de facto* the boundary between the Dominion of Canada and Newfoundland in the peninsula of Labrador.

His Excellency the Administrator to be also moved to forward copy of this Minute to His Royal Highness the Governor General of the Dominion of Canada for the information of his Ministers.

564. *Governor General to Colonial Secretary*

DESPATCH 278 Ottawa, 8 May, 1914

Sir,

I have the honour to transmit, herewith, copies of an approved Minute of the Privy Council for Canada on the subject of the advisability of pressing to arbitration a claim on behalf of the Government of Canada to territoriality over Dixon Entrance and Hecate Strait on the Northwest Coast of British Columbia.

I have etc.

ARTHUR

[ENCLOSURE]

Order in Council

P.C. 1147 May 4, 1914

The Committee of the Privy Council have had under consideration a report from the Right Honourable the Secretary of State for External Affairs, dated 19th December, 1913, representing that in the year 1909 the Administration of that day advanced a claim on behalf of the Government of Canada to territoriality over Dixon Entrance and Hecate Strait on the Northwest Coast of British Columbia.

The reasons in support of this claim were embodied in a Minute of the Privy Council, approved on the 6th July, 1909, and the question came in due course before the Law Officers of the Crown, whose report is embodied in a despatch from the Secretary of State for the Colonies to Lord Grey, dated 10th February, 1910, (a copy of which as also of the Minute of the 6th July, 1909, together with a map of the locality are appended hereto for convenience of reference).

As Your Royal Highness will observe the Law Officers were not favourably impressed with the strength of this claim nor of the prospect of a successful result of its submission to arbitration. In view of their rather decided tone, it was not considered expedient to press the matter further at the moment and various circumstances prevented Your Royal Highness's advisers from considering the question at the time when Mr. Harcourt's despatch of the 7th September, 1912, inviting an expression of the views of the Government on the Law Officers' report, was received.

The Minister would now however take advantage of the opportunity afforded by this despatch, to submit a few observations upon the objections raised by the Law Officers, viz:

The Law Officers find it difficult to suppose that when the Treaty of 1903 directed the line of demarcation between the possessions of Great Britain and the United States in the region under consideration to be drawn in accordance with the decisions of the Arbitration Tribunal so as to pass over sea as well as land, they intended to make waters territorial which by international law would commonly be regarded as open sea. But this is precisely what was done, *quoad* Great Britain and the United States, in the Straits of Georgia and Juan de Fuca by the Treaties of 1846 and 1871. The Law Officers, while admitting this, argue that there is a difference between Hecate Strait and Dixon Entrance on the one hand, and the Straits of Georgia and Juan de Fuca on the other, which while only of degree, is sufficient to place the former pair in a substantially different category from the latter. The Minister would venture to point out that this difference in the size of these water areas though considerable is not so overwhelming as might be inferred from the Law Officers' argument. The Straits of Georgia and Juan de Fuca are more than six miles wide and therefore include waters ordinarily considered as extra-territorial. At the widest portion they are twenty miles wide. Clarence Strait, to the north of the boundary provided by the Award under the Treaty of 1903, and over which the United States claims and exercises a vigilant jurisdiction, is at its southern extremity about twenty-six miles wide, while Hecate Strait at its northern extremity is about a mile wider.

The Law Officers appear to consider that to regard the line of demarcation drawn by the Alaska Boundary Tribunal of 1903 as a "boundary line," north and south of which lies the territory of the respective contracting parties, would involve too literal a construction of the term "boundary line." Such a construction, they say, would have the effect of allotting to Canada part of the territorial water of the Prince of Wales Archipelago, and this, they think, cannot have been intended.

It is not easy to understand this view, due regard being had to the language of the Treaties bearing upon the subject, and to the Award of the Tribunal of 1903.

By the Treaty of 1903 the Tribunal was directed to answer the question, "What course should the line take from the point of commencement to the entrance of Portland Channel?"

The "line" in this question is the line of demarcation between the *Possessions* of the High Contracting Parties. (Treaty of 1825).

The Tribunal in their Award say ". . . the course of the line from the point of commencement to the entrance of Portland Channel is the line marked AB in red on the aforesaid map."

The point A is on the shore, the extremity of Cape Muzon. The line AB on the map passes within three miles of Cape Chacon.

If the Tribunal did not intend that the line (of demarcation between possessions) should come within three miles of the land, why did they draw the line AB within three miles of the land?

North of the line AB is United States territory, land and water. If south of the line be not British territory what is it? Surely not high sea, for the Tribunal had no authority to define a line which should divide United States territory from the high sea. Since then the water south of the line is British and a "possession," it is territorial. The case is on all fours with that of Fuca Straits where the territoriality of the water is acknowledged to extend from the boundary line to the shores on either side of the Straits, although these are more than three miles away.

The Law Officers intimate as their view that the demarcation across the sea is inconsistent with Article I of the Treaty of 1825, which provides for the free right of fishing in the Pacific Ocean.

The Treaty of 1825 does not expressly define any boundary along Dixon Entrance. It might possibly be argued that this omission was intentional, because the Powers did not wish to divide up the high seas. It might, however, be argued that the negotiators did not consider this stretch of water to be part of the "Pacific Ocean," and this contention would seem the more reasonable one, since it obviates any contradiction between Articles I and III of the Treaty of 1825, or between that Treaty and the Treaty of 1903, which last in effect declares that the intent of the former Treaty was to draw a boundary line across the waters in question.

It may be admitted that it is somewhat anomalous that the United States should be deprived of their territorial rights over the sea within three miles of some of their territory, and that this may be inconvenient in some degree.

It is, however, not unusual for inconvenience to arise from the demarcation of a boundary line upon a written description.

The Treaty of 1846 enacts that the boundary line shall be drawn along the 49th parallel to the middle of the Straits separating Vancouver Island from the mainland.

When the line came to be laid down it was found that, after reaching the shore of the strait, it crosses a bay twelve or thirteen miles wide, strikes the mainland again, and then crosses a point in such a manner that at this place there is an area of about five square miles which is United States territory, though geographically attached to the British Columbia mainland.

Though this state of things is anomalous and inconvenient to Canada in many ways, the boundary line as established has been acquiesced in without

any attempt to argue that because of the anomaly, the boundary line cannot have been intended to cross Point Roberts, and therefore should be changed. Another anomaly occurs at the northwest angle of the Lake of the Woods, where a narrow triangle of United States territory, chiefly lake and marsh, projects twenty-five miles into Canada.

On the land portion of the Alaska-Canada boundary as defined by the Tribunal, there are numerous anomalies. At many places there is no practical means of communication (owing to mountain ranges) between two places in United States territory, without going through Canada, and vice versa. This doubtless was not intended by the Tribunal, but still the boundary line as marked in accordance with their Award must stand.

While the Minister has no disposition to ignore the fact that the Canadian contention is not free from difficulty, he submits that it is supported by arguments quite worthy of consideration by an arbitral tribunal. No one familiar with the various international controversies relating to the northwest coast of America that have occurred during the last century, can doubt that the Canadian case for Hecate Strait rests on stronger grounds than the claim of the United States to exclusive dominion over Behring Sea; yet the United States pressed their extravagant pretensions to regard Behring Sea as a *Mare Clausum,* to arbitration, at a very considerable expenditure both of energy and of public money.

The Minister conceives that a like course on the part of Great Britain with respect to Canada's claim to jurisdiction over the waters of Hecate Strait and Dixon Entrance, might be warranted on grounds not wholly limited by the strength of the claim, which, at the same time, appears to him to deserve, on its merits, the support and advocacy of His Majesty's Government.

The Committee concur in the foregoing and on the recommendation of the Secretary of State for External Affairs advise that Your Royal Highness may be pleased to transmit a copy hereof, if approved, to the Right Honourable the Secretary of State for the Colonies.

All which is respectfully submitted for approval.

565. *Colonial Secretary to Governor General*

DESPATCH 607

Sir, Downing Street, August 7, 1914

I have the honour to acknowledge the receipt of Your Royal Highness's despatch No. 278 of the 8th of May, on the subject of the advisability of pressing to arbitration a claim to sovereignty over Dixon Entrance and Hecate Strait on the Northwest Coast of British Columbia.

2. Under existing circumstances I presume that your Government will not object if His Majesty's Government defer consideration of the question.

I have etc.

L. HARCOURT

566. *Deputy Minister of Naval Service to Under-Secretary of State for External Affairs*

Ottawa, August 24, 1914

Sir,

I beg to acknowledge a copy of a despatch dated 7th instant, from the Secretary of State for the Colonies to the Governor General, in which he acknowledges one from His Royal Highness dated the 8th May, ultimo, on the subject of the advisability of pressing to arbitration a claim to sovereignty over Dixon Entrance and Hecate Strait, and suggesting that under existing conditions the Government will not object to His Majesty's Government deferring consideration of the question.

The Minister is in full accord with this suggestion.

I am etc.

G. J. DESBARATS

567. *Governor of Newfoundland to Governor General*

DESPATCH

St. John's, January 20, 1915

Your Royal Highness,

The Government of Newfoundland has received a communication from Dr. Davidson, K.C., of Montreal in reference to an action pending in the Courts of the Province of Quebec between the Attorney General of the said Province and the Grand River Pulp and Lumber Company which has been outstanding for several years and which was postponed pending negotiations between the Government of Newfoundland and the Government of Canada for the submission of a question to the Privy Council respecting the position of the boundary between the Province of Quebec and the Colony of Newfoundland.

Dr. Davidson in his letter encloses a communication which he received in reference to the said matter from Mr. Geoffrion of Montreal, in which he says: "You may be surprised to hear again of this case, but my instructions now are to proceed, in view of Newfoundland's refusal to accept any reasonable agreement, to submit the question of the Labrador boundary to the Privy Council."

2. With reference to this statement I deem it my duty to point out for your consideration the circumstances surrounding the suggested submission to the Privy Council and the causes which rendered it impossible for Newfoundland to accept the agreement which Canada offered. Newfoundland never at any time refused to make any reasonable agreement. Newfoundland had agreed from the very beginning that the only question which was to be submitted to the Privy Council was as to the position of the boundary *de facto* between the two jurisdictions. Canada on the other hand, but not from the beginning and in fact not until several years had elapsed from the time the negotiations were first begun, insisted that the matter to be referred to the Privy Council was not what was the actual boundary between

the two jurisdictions but in what manner the two jurisdictions should be delimited.

In other words, Canada refused to submit any question that was based upon the actual existence of a boundary and persisted in the view (which was really not in accordance with the facts) that the occasion for the reference was the absence of any boundary. The correspondence dealing with this matter clearly bears out Newfoundland's position. For these reasons I think it important to call the attention of your Government to the incorrect statement that is contained in Mr. Geoffrion's letter, that Newfoundland had refused to accept any reasonable agreement.

I venture to express the hope that the terms of reference as proposed by my Ministers may be accepted so that the position of the boundary *de facto* between the jurisdiction of the Colony of Newfoundland and of the Province of Quebec may be determined by the Privy Council.

I have etc.

W. E. DAVIDSON

568. *Chargé d'Affaires in United States to Governor General*

DESPATCH 317

My Lord Duke, Washington, November 18, 1918

I have the honour to transmit to Your Excellency, herewith, a copy of a note from the State Department with regard to the condition of pollution which, it is stated, exists in the boundary waters between the United States and Canada, which appears in several instances to constitute a contravention of certain provisions of Article IV of the Treaty of January 11, 1909, between the United States and Great Britain, and making certain suggestions with a view to remedying this state of affairs.

I should be glad if Your Excellency would inform me as to what reply should be made to the United States Government in the matter.

I have etc.

COLVILLE BARCLAY

[ENCLOSURE]

Secretary of State of United States to Chargé d'Affaires in United States

No. 312

Sir, Washington, November 14, 1918

I have the honour to inform you that the Department recently received the final report of the International Joint Commission, in the matter of the reference of August 1, 1912, submitted by the Governments of the United States and of the Dominion of Canada, under the provisions of Article IX of the Treaty of January 11, 1909, between the United States and Great Britain.

It appears from this report that the Commission finds that a serious condition of pollution exists in the boundary waters between the United States and Canada so as in several instances to constitute a contravention of the following provisions of Article IV of the said convention:

> It is further agreed that the water herein defined as boundary waters and waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other.

It further appears from the report that the Commission is of the opinion that it is feasible and practicable, without imposing an unreasonable burden upon the offending communities, to prevent or remedy the pollution mentioned. To this end and for the fulfilment of the treaty obligation referred to, the Commission makes the following statement and recommendation:

> As has been remarked, the question of the pollution of these waters generally is a matter of great international moment. In view of this fact and of the variety and possible conflict of national, state, provincial and municipal authorities, it is too obvious to require discussion that the recommended authority should be jointly created by the High Contracting Parties. As the International Joint Commission is under the treaty clothed with jurisdiction over the use, obstruction and diversion of boundary waters, together with jurisdiction over other international matters, it is recommended that the necessary jurisdiction and authority in respect of the pollution of boundary waters and waters crossing the boundary be conferred upon it; and for the purpose of giving effect to the jurisdiction and authority so conferred that the Commission be authorized to make such rules, regulations, directions and orders as in its judgment may be deemed necessary and that power be also given to the Commission to appoint such engineers and employees as it may consider advisable.

As a practical step toward properly considering the recommendation of the Commission, it would appear advisable for the Commission to prepare for submission to the respective Governments a draft of such a convention between the United States and Great Britain, or of such proposed legislation by the United States and Canada, or both such drafts, as would in the opinion of the Commission confer upon it, or other governmental agencies, the necessary authority to remedy the existing conditions of pollution in the boundary waters on one side of the boundary which extend to and affect the boundary waters upon the other side, and thus enable the contracting parties to carry out the treaty obligation against such pollution.

It is presumed that the Canadian Government, by reason of its great interest in the matter under consideration, would as a matter of convenience readily join this Government in a request to the Commission to submit drafts as indicated above.

I should be pleased if you would bring the matter to the attention of the Canadian Government, and advise me of its wishes.

Accept etc.

ROBERT LANSING

CHAPTER V

FISHERIES

North Atlantic coast fisheries: arbitration, amendment of regulations, United States-Canadian Conference—Pelagic sealing in the North Pacific: conservation of herds, compensation of idle sealers, United States-United Kingdom Treaty, Quadripartite Convention.

NORTH ATLANTIC COAST FISHERIES

569. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, January 11, 1909

SECRET. I understand that you have received draft of proposed fisheries agreement from H. M. Ambassador at Washington.

It is considered by Secretary of State for Foreign Affairs that draft agreement puts clearly and in a much improved form as compared with American draft, the issues in question, and that there is nothing in them likely to prejudice arguments at the arbitration at The Hague. It is also considered by Sir Edward Grey that if the present opportunity of settlement of terms of reference is lost that it is very doubtful whether any equally favourable opportunity of settling matters will occur.

Shall be glad to learn the views of the Canadian Government on the draft agreement at the earliest possible date. Mr. Bryce reports that Mr. Root fears that the agreement may be lost altogether unless signed before the 16th January.

CREWE

570. *Governor General to Colonial Secretary*

PARAPHRASE OF TELEGRAM Ottawa, January 13, 1909

Atlantic Fisheries. Your cypher telegram of 11th January. My Government adhere to position they have taken up from beginning that Newfoundland is the party chiefly concerned in dispute. They will not take initiative. Fear no chance of getting agreement signed before 16th of January.

GREY

571. *Governor General to Ambassador in United States*

PARAPHRASE OF TELEGRAM Ottawa, January 14, 1909

SECRET. PRIVATE. Yesterday Minister of Justice telegraphed to Attorney General of Newfoundland suggesting that Newfoundland Government should send representative to Washington.

Prime Minister has been advised by Minister of Justice that there should be no difficulty in arriving at agreement with you and Root if all parties were together.

Subject to slight modifications Canadian Government approve draft treaty. To-morrow, Friday, the Minister of Justice leaves for Washington.

GREY

572. *Governor General to Governor of Newfoundland*

PARAPHRASE OF TELEGRAM Ottawa, January 14, 1909

SECRET. Hope representative of the Government of Newfoundland will be sent to Washington in accordance with suggestion telegraphed to your Attorney General by my Minister of Justice. Minister of Justice goes Washington tomorrow. While it is believed by Canadian Government that there should be no difficulty in arriving at agreement with United States Government if all parties can discuss matter together, they look to Newfoundland to take the initiative, as my Ministers adhere to position taken up by them from the beginning, that the Government chiefly concerned is that of Newfoundland.

GREY

573. *Ambassador in United States to Governor General*

DESPATCH 16 Washington, January 26, 1909

My Lord,

I have the honour to transmit herewith a copy of a despatch which I have addressed to His Majesty's Government, describing the course of the most recent negotiations regarding the proposed arbitration in the Atlantic fisheries controversy and enclosing a copy of the agreement[1] as settled after conferences with them and a protracted discussion with the United States Secretary of State.

I welcome this opportunity of expressing to you the pleasure as well as the benefit I have derived from the presence of Your Excellency's Minister of Justice, whose counsel has been of the utmost value in the conduct of an unusually complicated and troublesome negotiation.

I have etc.

JAMES BRYCE

[1] The text of the Special Agreement is to be found in *Treaties and Agreements affecting Canada in force between His Majesty and the United States of America with Subsidiary Documents, 1814-1925.* Ottawa, 1927, pp. 319-324.

[ENCLOSURE]

Ambassador in United States to Foreign Secretary

DESPATCH 24

Sir, Washington, January 26, 1909

I have the honour to transmit herewith copies of the Special Agreement in regard to the reference to arbitration of questions relating to fisheries on the North Atlantic Coast as now revised to which are appended Notes as to the negotiations by which these amendments were reached which explain their bearing and effect. Copies are also appended of the Notes to be exchanged in regard to the proviso as to the Bay of Fundy and Gut of Canso which has now been removed from the agreement. As this matter affects Canada, I have submitted the form of the Note to the Canadian Minister of Justice who approves of it. Owing to the late date at which Mr. Kent, the Minister of Justice of Newfoundland, started and to the unavoidable delays encountered in his long journey at this season he did not reach Washington until late on the night of Saturday, January 24th. This and the long formed plan of Mr. Root to leave Washington at the earliest possible moment in the present week made the time for consultation and discussion very short, indeed, for a matter of such consequence. Mr. Aylesworth, the Canadian Minister of Justice, had been staying at the Embassy since the 20th and Mr. Kent came to stay here on his arrival, so that every hour since his arrival has been turned to account. The time that remained after his arrival before Mr. Root had to leave was so short that it became necessary to see Mr. Root at once.

The conferences between myself and the representatives of Canada and Newfoundland and the discussions with Mr. Root and his assistants at which they were present began early on Sunday morning and lasted late into the night with only such short interruptions as were required for meals. The result appears in the draft agreement enclosed. It was cabled to Newfoundland on the same night and received there on the 25th. Unfortunately Sir Robert Bond[1] was absent in the country and in the transmission of so unusually long a message errors seem to have crept in which have led Sir William MacGregor to request the repetition of certain cypher groups. At the moment of writing no answer has been received from his Ministers, but I gather that he hopes to send me one to-night and Sir Robert Bond has asked by cable for an explanation of a passage in the draft.

The notes which I enclose herewith and which have been prepared by Mr. Young are designed to give you in a concise form some idea of the lines on which the discussion proceeded and the effect of the amendments made. It will, I think, be found that these have on the whole tended to strengthen and improve the statement of the British case.

I have etc.

JAMES BRYCE

[1] Prime Minister and Colonial Secretary of Newfoundland, 1900-1909.

P.S.—I must not omit to add that in this latter phase of the negotiations Mr. Kent has taken and preserved a fair and reasonable attitude, and that I have derived great aid from the legal acumen, sound judgment and conciliatory spirit of Mr. Aylesworth, whose presence as representing Canada has been of conspicuous value.

[SUB-ENCLOSURE 1]

Secretary of State of United States to Ambassador in United States

No. 507

Excellency, Washington, January 26, 1909

I send you herewith a printed copy of the Special Agreement for the submission to arbitration by the Hague Tribunal of the questions between the United States and Great Britain relating to the fisheries on the North Atlantic Coast.

The paper as now printed I understand to be in exact accordance with the agreement reached at my residence on Sunday between yourself, Mr. Aylesworth, the Minister of Justice of Canada, Mr. Kent, the Minister of Justice of Newfoundland, and myself. It is my understanding that you have cabled to the Government of Great Britain and of the respective colonies for confirmation of your action.

Mr. Bacon and Mr. Anderson join with me in expressing on the part of the representatives of the United States high appreciation of the courtesy and consideration and spirit of fairness which have been displayed by yourself and by your assistants in the long and difficult negotiation leading to the final preparation of this paper.

I have etc.

ELIHU ROOT

[SUB-ENCLOSURE 2]

Draft of Note to be delivered by Ambassador to the Secretary of State upon the signing of the Special Agreement relating to the North Atlantic Coast Fisheries

Sir,

In order to place officially on record the understanding already arrived at by us in preparing the Special Agreement which we have signed to-day for the submission of questions relating to fisheries on the North Atlantic Coast under the General Treaty of Arbitration concluded between the United States and Great Britain on the 4th day of April, 1908, I have the honour to declare on behalf of His Majesty's Government that Question 5 of the series submitted, namely, "From where must be measured the 'three marine miles [off] any of the coasts, bays, creeks or harbours' referred to in the said Article?" is submitted in its present form with the agreed understanding that no question as to the Bay of Fundy, considered as a whole apart from its bays and creeks, or as to innocent passage through the Gut of Canso is included in this

question as one to be raised in the present arbitration; it being the intention of the parties that their respective views or contentions on either subject shall be in no wise prejudiced by anything in the present arbitration.

[SUB-ENCLOSURE 3]

Notes of further Amendments to the Terms of Reference to Arbitration of the North Atlantic Fisheries

1. A change in the title from North Eastern Fisheries to Fisheries on the North Atlantic Coast was made at the suggestion of the Embassy as a term of more general application.

2. The amendment of the preamble was the subject of long discussion with the Secretary of State and his advisers. In the preliminary Conference with the representatives of Canada and Newfoundland objection had been taken both by Canada and Newfoundland to the significance that might be attached to the word "otherwise" in the preamble. Canada had proposed the insertion of the words "claimed by" after "rights and liberties" as mitigating the objectionability of "otherwise" in case the excision of the word proved impossible. Newfoundland's objection has been more absolute but in consequence of the successful elimination of Question 8—in which the word was used in an even more objectionable manner—it was recognized by Mr. Kent that its use in the preamble had lost much of its significance and if modified by the Canadian amendment could no longer give ground for serious objection. The Canadian amendment was debated with Mr. Root and his advisers at great length and finally the form "otherwise in respect of the rights and liberties which the inhabitants of the United States *have or claim to have*" was adopted as meeting the objects of both parties. No admission by us that the United States have any rights otherwise than under the Treaty could now be read into the wording of the preamble, and they are safeguarded against any criticism in the Senate to the effect that the wording might be held as exposing them to the acceptance by the tribunal of a plea that they were debarred by the terms of reference from raising in argument any matter anterior to the Treaty.

A minor objection was then taken by Newfoundland to the words "on the coasts" because the word coast was subsequently referred for interpretation. The wording "in the waters or on the shores" should meet this point.

Question 1. The amendment of our contention in this question being not a contentious matter was effected in conference with the Colonial representatives by the incorporation of the suggestions made in the minutes of their respective Governments.

Question 2 remains unchanged.

Questions 3 and 4. The Newfoundland Minute suggested that the word "ordinary" be inserted before "requirements" in Article 3 and "restrictions" in Article 4, so as to prevent these articles being read as applying to discriminatory requirements. The other side were unwilling to accept this

without further examination of its effect on previous requirements of this nature. They were ready to accept a form of words to the effect that discriminatory requirements were not contemplated,—but such an admission of the possibility of their existence seemed possibly undesirable. Mr. Kent accordingly withdrew his objection in view of the consideration that the point could be made with equal effect by a disclaimer in the argument.

Question 5. No objection was raised to this question in the Colonial minutes but in conference it was considered preferable to remove the proviso from the Questions to an explanatory note, as involving a less formal renunciation in respect of this arbitration in regard to our claims in these respects. This has accordingly been done, a slight alteration being made at Mr. Aylesworth's suggestion to prevent the renunciation being held to bar the application of the answer to internal bays within the circuit of the Gulf known as the Bay of Fundy.

Question 6 (previously 7). The Representatives of the United States revived their objection to this question as not having ever been a "difference" within the meaning of the term. On the other hand they could not maintain that it was not within the "scope and meaning" of Article 1. They finally agreed to its admission on condition their Question 7 was admitted and that the words "or otherwise" be added.

The Canadian Minute asked for the substitution of "Have the inhabitants of the United States the liberty"—for "are the . . . &c., entitled." This was adopted after some discussion.

Question 7 (previously 6). This was a crucial point in controversy. Although the Canadian Government did not in their Minute oppose its inclusion, Mr. Aylesworth did not conceal the fact that there were grave apprehensions in regard to the effect of an unfavourable answer on the right of regulation of navigation and commerce, on the whole Canadian Coast line. It seemed scarcely possible, in view of the wording of the restriction in Article 1 of the Treaty in regard to the non-Treaty coasts—*e.g.* "for no other purpose whatever" "that the United States Government could intend the question to apply to the non-Treaty coast." However, on the point being raised in discussion Mr. Root and his advisers maintained that they did so intend. It was then pointed out that in that case the question must be divided into two as the answer might conceivably be different in regard to the Treaty coast from that concerning the non-Treaty coast. This they admitted and a draft was left with them dividing the question. Subsequently after considering this draft and presumably realizing that any possible ground for raising the question as to the Treaty coast would be prejudiced by the absurdity of the question in regard to the non-Treaty coast, they agreed to limit the question to the latter. Thereby the interest of Canada in the question was practically eliminated, and a question which might have raised much feeling got rid of.

There remained the objection of Newfoundland which, as stated in the Minute, opposed the inclusion of the question as alien to the Treaty. The United States representatives maintained that it could be considered as relating to the "scope and meaning" of the Article and that in any case it was and

long had been a substantial "difference"; and that its reference was both technically defensible and practically desirable. It was difficult, if not impossible, to oppose this contention and insist on the exclusion of the Question. Failing this the best that could be done was to secure its being framed in as unobjectionable a form as possible. It was accordingly redrafted in collaboration with Mr. Kent and it was signified to the United States representatives that it might be accepted in that form if their objection was withdrawn to the preceding question proposed by Newfoundland. Our draft was accepted with a small formal amendment and the question, at our suggestion, placed at the end of the series. The Questions may now be considered as being arranged in order of importance and also in such a succession as will be most logically convenient for argument.

Article II (previously Question 8). Newfoundland objected to Question 8 as submitting "the legality of the legislative acts of Great Britain and the Colonies," and was opposed to the use of the word "otherwise." It was recognized by the Embassy and the Colonial representatives after private discussion that it would be morally impossible to prevent the Tribunal from ruling in answer to Question 1 as to the reasonability of regulations called in question by the other side. It was, however, desirable that these regulations should be ruled on in application of the principles laid down in the award rather than be referred to the Tribunal as "differences" on the same footing as the questions of principle underlying the other questions. The United States representatives were urged to drop the question altogether as referring matters which might safely and should properly be left to the parties when applying the award, but they maintained that some form of reference of the regulations was indispensable to provide against subsequent criticism that the award would be merely academic. As no argument could alter this position (which had no doubt much force) the present Article II was drafted in private Conference with the Colonial representatives. As then drafted the last clause "and each party—opinion"—and the words "in its award" were absent, these being added subsequently by the United States representatives as the condition of their acceptance. It will be observed that it differs from the previous Question 8 in making the ruling of the Tribunal in regard to these regulations not concurrent and co-equal with its answers to the questions but an application of the principles laid down in the reply to the questions. Consequently, though the subsequent amendment of the United States asserted the obligation to conform to the opinion of the Tribunal which already morally existed and annexed the opinion to the award, it still remained so to say a second part (the answer[s] to the questions being the first part and any action taken under Article IV a third part). Moreover, in the present form the submission of legislation which was practically unavoidable is less invidious, both from the nature of the ruling asked for and from the fact that the reference has been made bilateral. The wording "official statement or action" was used in order to admit of Newfoundland if she planned calling in question the propriety of the proceedings of the United States Government either as regards official instructions to fishermen which might be shown by the Award to be improper

or in regard to the granting of "touch and trade" licences. The importance of this faculty lies in the opportunity it offers of basing a claim for damages as a counter-claim to any demand that might be made by the United States Government subsequent to the Award, for compensation in regard to any regulations of Newfoundland that might be held by the Award to be contrary to Treaty. Although Newfoundland was not debarred from this procedure under the previous form of question, it is an advantage that her action be put on a similar footing with that of the United States.

Article III (previously first part of Article II) is without change except transposition of the clause as to expenses; the substitution of the words "exercise . . . United States" for "common right of fishery" to meet the demands of Canada; and the substitution of the words "report their conclusions" for "render a decision" at our suggestion.

Article IV (previously second part of Article II) consists of two clauses. The first recommending rules and procedure was only objected to by Canada in regard to the use of the words "rights of fishing". After long discussion Mr. Aylesworth succeeded in persuading Mr. Root to accept the word "liberties" in substitution. The second clause providing a reference to summary arbitration of future differences was objected to in principle by Newfoundland as ousting the local courts from their proper functions in applying the Award. This was a misunderstanding of the meaning of the clause due to defective wording which could be corrected by using the words "differences . . . Tribunal" instead of the old wording "question . . . above mentioned". Whereas the latter might be interpreted as applying to specific cases between individuals of disputed enforcement of a regulation—the former obviously contemplates only questions between the Governments as to disputed rights of regulation. In regard to any possible question as to whether provision in the agreement for the reference of future differences between the Governments was desirable or no—it was recognized by Mr. Kent that it was in any case inevitable under the General Arbitration Treaty and that reference in the form provided in the agreement was preferable as allowing of reference without submission to the United States Senate, an object desired by Mr. Root. (See previous notes.)

Article V—Negotiations for a private and friendly agreement as to the arbitrators are proceeding by cable.

Articles VI, VII and VIII remain unchanged. The periods of submission of cases, counter-cases, and for the meeting of the Tribunal have been filled in, so as to provide for various considerations of convenience and to obviate the possibility of postponements.

Articles IX and X unchanged. The addition to X proposed by Newfoundland was held to be unnecessary in view of the provisions of the Hague Convention under which the agreement is taken.

The codex at the end was proposed by the United States representatives in order to introduce the signatures in view of the fact that there is no recital of powers as in a convention, and as a precedent of form for future agreements.

574. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM 12 Washington, February 7, 1909

SECRET. His Majesty's Government so directing and Your Excellency's Government and that of Newfoundland having expressed consent, agreement for reference to arbitration of fisheries questions was formally delivered yesterday and is being sent to Senate by President.

BRYCE

575. *Minister of Justice to Governor General*

Dear Lord Grey, Ottawa, February 9, 1909

I have seen Mr. Bryce's despatch enclosing copy of the Agreement for arbitration of the Atlantic fisheries controversy and have heard that the Government of Newfoundland has signified its acquiescence in the terms of the agreement.

I assure you that I share the great satisfaction which I know you feel at the successful termination of the long continued efforts to reach an agreement in this matter and I think I ought not to let the opportunity pass without saying that in my opinion Mr. Bryce is entitled to the gratitude of Canada for what he has accomplished.

In the few days I spent in Washington last month I was able to see something of the difficulties there were in the way and I came back not only appreciating more highly the work of Mr. Bryce in our behalf but feeling that the interests of Canada are certain to have always his most anxious and careful attention.

I think it would be difficult to over-estimate the value of his services, and I doubt if any one less experienced and earnest and able could ever have brought these negotiations to a satisfactory conclusion.

Congratulating you very sincerely on the result,

I am etc.

A. B. AYLESWORTH

576. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM 16 Washington, February 22, 1909

SECRET. Fisheries agreement. Lammasch, [De Savornin] Lohman of the Netherlands, whom His Majesty's Government think highly of, and Drago of the Argentine Republic, whom United States Government choose from six names proposed by us [garbled] are the three non-national arbitrators suggested. I hope these names will give satisfaction to your Government. It is proposed to exchange notes confirming agreement and referring to Fundy Agreement on March 1st. It is desirable to exchange before the Administration goes. I hope this date will meet views of Canadian Government.

BRYCE

577. *Governor General to Ambassador in United States*[1]

PARAPHRASE OF TELEGRAM Ottawa, March 3, 1909

SECRET. Agreement [on] Fisheries Arbitration. My Ministers submit that there is nothing to prevent the immediate confirmation of agreement. They contend the appointment of arbitrators cannot be held as a condition precedent, and should rather follow than precede confirmation.

Canadian Government further hold that Newfoundland should be consulted respecting selection of arbitrators and as far as my Ministers are concerned their intention would be to act jointly with the Government of Newfoundland.

The selection of an arbitrator from a country in South America dependent under the Monroe Doctrine on the United States for protection seems to my Ministers to be open to serious objection.

GREY

578. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM 23 Washington, March 3, 1909

SECRET. Referring to your telegram of to-day. It has been held throughout by His Majesty's Government that arbitrators ought to be settled before final confirmation of agreement and as arbitrators have been discussed with present Administration it would be undesirable to re-open discussion with new Administration. Arbitrators whose names have been sent you including Drago have been already approved by Newfoundland. [Garbled] misinformed that his Russian colleague less under United States influence than Argentine Republic and I believe Drago has publicly pronounced against Monroe Doctrine. When His Majesty's Government objected to a name proposed by the United States he was one of the six names suggested by His Majesty's Government.

BRYCE

579. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, March 4, 1909

SECRET. Atlantic Fisheries Arbitration. With reference to your cypher telegram of March 3rd, I think position has not been fully understood by your Government.

His Majesty's Government are anxious in the interests of Canada and of Newfoundland to secure that the Tribunal shall only include members who will treat the matter judicially. This can only be done by agreeing on the names of the arbitrators in advance.

If the matter is left open, and notes are exchanged, His Majesty's Government will be bound to accept the nomination by the United States of one

[1] A similar telegram was sent on the same day to the Colonial Secretary.

non-national member, who would presumably be Kriege, or some other German, likely to be hostile to the case of His Majesty's Government. In the opinion of His Majesty's Government the selection of Drago is much preferable to that of Kriege, and Newfoundland has concurred in this proposed composition of the Tribunal.

Shall be glad to know if your Government will reconsider their views, in consideration of these facts. If, however, they maintain their original position and prefer to take the chance of arranging a satisfactory Tribunal later on, His Majesty's Government will, if the Newfoundland Government concur, exchange notes at once, when the Tribunal will [garbled] to be constituted in accordance with the Hague Convention of 1907.

The present procedure, which has been arranged in the best interests of Canada and of Newfoundland, aims at arriving, by a friendly consultation, at an agreement as to the neutral arbitrators to be selected by each party.

CREWE

580. *Governor General to Ambassador in United States*

TELEGRAM Ottawa, March 4, 1909

Your cypher telegram 3rd March No. 23. As arbitrators acceptable to Newfoundland and to His Majesty's Government, Canadian Government will raise no further objection. Please exchange notes confirming agreement.

GREY

581. *Colonial Secretary to Governor General*

TELEGRAM London, April 2, 1909

Am anxious to learn what arrangements are being made or contemplated by your Government in concert with Newfoundland for preparation of British case in fisheries arbitration. Responsibility for drafting case will rest with the two Colonial Governments subject to any necessary consultation with H. M. Government.

H. M. Government hopes to receive draft case when it is in a sufficiently advanced state so that they may have the opportunity of making any suggestions or criticisms which may seem to be desirable or necessary.

Actual preparation will no doubt involve collaboration between expert representatives of Canada and Newfoundland and I should be glad to learn course of procedure which the two Governments propose to adopt for settling in common the form in which British case is to be presented. Memoranda and documents which will be of service as material for the preparation of the case were sent to you by mail of April 1st. Similar telegram sent to Newfoundland.

CREWE

582. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, May 29, 1909

Newfoundland fishery arbitration. Minister of Justice with J. S. Ewart, K.C., sailed for England 28th May. Newfoundland having agreed, Canadian Government recommend that he[1] be appointed as British Agent. He will make arrangements on arrival as to solicitors and other matters of urgency.

GREY

583. *Governor General to Colonial Secretary*

CONFIDENTIAL DESPATCH Ottawa, March 7, 1910

My Lord,

With reference to Your Lordship's confidential despatches of the 28th October and the 29th November, relative to the desire of the Newfoundland Government that in the event of the decision of the Hague Tribunal in the North Atlantic Coast Fisheries Arbitration being favourable, a claim for compensation and damages should be preferred against the United States Government, in respect of the exercise by United States fishermen of privileges in excess of those to which they were entitled under the Treaty of 1818, and enquiring whether the Canadian Government desired that a similar claim should be made on behalf of the Dominion, I have the honour to transmit, herewith, for Your Lordship's information, copy of an approved Minute of His Majesty's Privy Council for Canada,[2] stating that my responsible advisers consider that while the presentation and support of such a claim may present certain difficulties in view of its necessarily vague and indeterminate character, there does not appear to be any reason why a demand made by His Majesty's Government on behalf of Newfoundland might not be so formulated as to include the Dominion of Canada.

I have etc.

GREY

584. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH London, April 21, 1910

My Lord,

With reference to your confidential despatch of the 7th March, I have the honour to request Your Excellency to inform your Ministers that the Secretary of State for Foreign Affairs has directed His Majesty's Ambassador at Washington to approach the United States Government and to endeavour to find an acceptable formula by which effect may be given to the desire of your Ministers that a claim should be preferred on behalf of the Dominion, in respect of fishery privileges enjoyed by United States fishermen in excess of those conferred upon them by the Treaty of 1818. . . .

I have etc.

CREWE

[1] A. B. Aylesworth. Ewart was described as Counsel for Canada.
[2] Not printed.

585. *Colonial Secretary to Governor General*

DESPATCH 710
My Lord, Downing Street, September 28, 1910

With reference to my telegram of the 8th of September, reporting the result of the North American Fisheries Arbitration, I have the honour to transmit to Your Excellency, for the information of your Ministers, the accompanying copies of the Award of the Tribunal.[1]

2. Your Ministers will observe that under the decision of the Tribunal as to the first question, His Majesty's Government are called upon within a month of the date of the Award to designate a National Commissioner for the expert examination of the questions as to the validity of Canadian and Newfoundland legislation raised by the Government of the United States. I enquired, in my telegram of the 8th of September, the views of your Ministers on this question.

I have etc. CREWE

586. *Colonial Secretary to Governor General*

TELEGRAM London, September 30, 1910

Hague Fisheries Award. I understand that Aylesworth and Morison[2] think that probably Canadian Government and Government of Newfoundland will be of opinion that question of amendments to be made in existing legislation referred by tribunal to Expert Commission could probably be settled instead by diplomatic discussion followed by local legislation. In proposing this course to United States Government it will not be proper, in the opinion of Attorney General, in which His Majesty's Government concur, to argue that tribunal have exceeded powers more particularly as such action might invite repudiation of other parts of Award by United States. Diplomatic negotiations might be long and difficult, but if your Government so desire His Majesty's Government are prepared to take this course, either for Canada and Newfoundland jointly or for one, giving as grounds for suggested procedure desirability of ensuring early and mutually satisfactory decision avoiding expense of what would be in substance a further arbitration. His Majesty's Government are called upon by the terms of Award to nominate an Expert Commissioner within month ending October 6, and it is necessary that appointment should be made by that date. Aylesworth informs me that he has told Prime Minister in letter that he sees no alternative to accepting Newfoundland nomination. Please obtain agreement of your Ministers and telegraph as soon as possible. Inform Ministers that Sir E. Grey proposes to inform United States simultaneously that while making appointment in accordance with terms of Award he puts forward the wish of your Ministers to proceed by alternative plan of diplomatic negotiation.

CREWE

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[1] The Award is printed in *Treaties and Agreements affecting Canada in force between His Majesty and the United States of America with Subsidiary Documents, 1814-1925*, Ottawa, 1927, pp. 325-348.

[2] Donald Morison, Attorney General of Newfoundland, 1909-1913; British Expert Commissioner.

587. *Colonial Secretary to Governor General*

DESPATCH 724 Downing Street, October 4, 1910

My Lord,

I have the honour to transmit to Your Excellency, for the information of your Ministers, the accompanying copy of a telegram which I have addressed to the Governor of Newfoundland on the subject of the *modus vivendi* regulating the Newfoundland fisheries.

I have etc.

CREWE

[ENCLOSURE]

Colonial Secretary to Governor of Newfoundland

TELEGRAM [London,] October 3, 1910

His Majesty's Government have been asked by United States Government what effect the Award of Hague Tribunal has upon *modus vivendi* regarding fisheries. His Majesty's Government propose to reply that the *modus vivendi* continues in force automatically until questions submitted for decision of Expert Commission provided for in Award of 7th September have been disposed of.

CREWE

588. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, October 31, 1910

Referring to your telegram of September 30, Hague Fisheries Award, Government of Canada agree in the opinion that question of amendments to be made in existing legislation referred by the Tribunal to an Expert Commission could probably be settled instead by diplomatic discussion, followed by local legislation.

My responsible Ministers desire that His Majesty's Government should open, at the earliest practicable date, such negotiations, at any rate on behalf of Canada, with the United States.

GREY

589. *Colonial Secretary to Governor General*

TELEGRAM London, November 8, 1910

With reference to your telegram of October 31, instructions are being sent to His Majesty's representative at Washington to ask Government of United States to negotiate as to existing legislation on clear understanding that if negotiations fail reference to experts will at once proceed and their decisions be forthwith complied with.

If Government of the United States agrees, shall be glad if your Ministers will send representative to Washington to confer with Embassy or communicate views fully to Embassy and also to me.

Negotiations will of course be subject to approval of His Majesty's Government on Imperial grounds.

HARCOURT

590. *Chargé d'Affaires in United States to Governor General*

DESPATCH 140

Washington, November 15, 1910

My Lord,

In pursuance of instructions received from His Majesty's Principal Secretary of State for Foreign Affairs, I yesterday approached Mr. Knox on the subject of deferring the meeting of the Commission of Experts provided for in the Award of the Court in the recent Newfoundland Fisheries Arbitration and of opening direct negotiations in Washington for the settlement, if possible, of all outstanding questions regarding the executive and legislative acts of the Canadian and Newfoundland Governments, to which Counsel for the United States called the attention of the Court.

Subsequently I sent a note of which a copy is enclosed.

The Secretary of State met my overtures in the most friendly spirit and promised to consider the proposal sympathetically.

Judging from this expression and from a few minutes' conversation which I had later on with Mr. Chandler Anderson, we may, I hope, look forward to a favourable reply.

I have etc.

A. MITCHELL INNES

[ENCLOSURE]

Chargé d'Affaires in United States to Secretary of State of United States

No. 230

Washington, November 14, 1910

Sir,

In the exercise of the privilege conferred by Article II of the Fisheries Arbitration Agreement between our two countries, Counsel for your Government at the Hague Court, as you are aware, presented to the Court a statement of certain legislative and executive acts of Newfoundland and Canada, claimed to be inconsistent with the true interpretation of the Treaty of 1818, and the Court, in its Award, referred the whole of these acts to a Commission of Experts to be designated in accordance with Article III.

His Majesty's Government feel that, now that the Award has been pronounced and that the Two High Contracting Parties are in possession of an authoritative pronouncement as to their rights and limitations under the Treaty of 1818, the position of both parties with reference to all these acts, whether legislative or executive, requires some revision. On the one hand, the United States may be willing to withdraw their objections to some of the

provisions, and, on the other hand, I can safely say that the Governments of Canada and Newfoundland, fully recognizing their obligations and earnestly desirous to carry out to the full extent the principles laid down in the Award, are prepared to do what, as they understand it, the acceptance of that Award imposes on them.

His Majesty's Government feel, therefore, that many points formerly in dispute could be eliminated by a friendly discussion without having recourse to the services of the Commission. It may even be that complete agreement between our Governments might be reached by this means, which, in addition to other obvious advantages, would avoid further heavy expense in a cause which has already proved very costly.

I am therefore instructed to convey to you the pleasure which His Majesty's Government would have in opening negotiations with your Government with this object, if you share their opinion as to the advisability of proceeding in this manner.

It may, of course, be that after a full discussion, there will still remain a residue of questions on which agreement would be found impossible. I am to assure you that in this case it is fully understood that the meeting of experts would take place as laid down in the Award.

Should you agree to this proposal, the manner in which the negotiations should be conducted will, I have no doubt, be easily arranged.

I have etc.

A. Mitchell Innes

591. *Governor General to Colonial Secretary*

Telegram Ottawa, November 19, 1910

Ministers are somewhat concerned at terms of your telegram of November 8. They point out that proposal to negotiate as to existing legislation represents attempt to settle outstanding questions without recourse to machinery provided by Award of Tribunal but without prejudice to their position should the attempt fail.

Words of your telegram "on the clear understanding that if the negotiations fail the reference to experts will at once proceed and their decisions be forthwith complied with" seem to Ministers to indicate departure from terms of Article III of Special Agreement of submission and of Award of Tribunal made under this Article to which departure they are unwilling to consent. They point out that if the Expert Commission is set in motion, as it will have to be in the event of failure of proposed negotiations, its report must be considered by Tribunal and will have effect only if incorporated by Tribunal in its Award. They cannot agree in advance to be bound by any mere report of the experts which may be given hereafter or by any stipulations as to the time at which any steps in the proceedings should be taken as a condition of submitting the present proposal for negotiation to the United States. Presume your telegram did not mean that in event of failure of negotiations report of Export Commission was to be taken as final without reference to

Tribunal, but should be glad of assurance on the point. Ministers also do not understand why your telegram lays it down that negotiations must be subject to approval of His Majesty's Government on Imperial grounds. They point out that nothing but purely domestic legislation is affective and they do not see how any Imperial interests can be involved if as a result of the negotiation they are able to recommend to Parliament such modification of existing regulations as will satisfy any reasonable objections and avoid recourse to Commission and reconvening of Tribunal. Presume your telegram only means that His Majesty's Government should be kept informed of course of negotiations throughout in view of their interest in preserving good relations with the United States.

GREY

592. *Colonial Secretary to Governor General*

TELEGRAM London, November 22, 1910

Your telegram of November 19. Your Ministers have misunderstood my telegram of November 8. What was intended is that if negotiations fail Expert Commission will proceed as contemplated in the Award and the Treaty.

His Majesty's Government only desire to be kept informed of the course of the negotiations in accordance with established practice that they are responsible for treaty obligations of Empire. There has never been any desire on the part of His Majesty's Government to interfere in matters concerning domestic legislation of Canada.

HARCOURT

593. *Chargé d'Affaires in United States to Governor General*

DESPATCH 143
Washington, November 28, 1910

My Lord,

I have the honour to forward herewith a copy of the reply of the Department of State to my Note on the subject of the proposed fisheries negotiations, a copy of which was forwarded to Your Excellency in my letter of November 15.

I understand that the proposal that the negotiations should be conducted by means of a conference at Washington is agreeable to Your Excellency's Government, as well as to that of Newfoundland, and I have now the honour to request that, if this is so, Your Excellency will when the matter has been considered, put me in a position to inform the United States Government both as regards the date which would be convenient for the meeting of the conference, and also as to the manner in which Canada proposes to be represented.

I have etc.

A. MITCHELL INNES

P.S.—I learn on enquiry at the State Department that the word "Protocols" is used in the enclosed note in the sense of *Procès-verbaux*. The expression, so I am told, was found in some old notes from the British Embassy.

[ENCLOSURE]

Secretary of State of United States to Chargé d'Affaires in United States

No. 1037 Washington, November 26, 1910

Sir,

I have the honor to acknowledge the receipt of your note of the 14th instant, proposing a preliminary discussion of the legislative and executive acts of Newfoundland and Canada which by the Award in the North Atlantic Coast Fisheries Arbitration were referred to a Commission of Experts pursuant to the provisions of Articles II and III of the Special Agreement under which the arbitration was held, in order, if possible, to reach a satisfactory adjustment in regard to these acts without having recourse to the services of such commission. In reply to this proposal it gives me much pleasure to inform you that this Government shares the opinion of His Majesty's Government as to the advisability of entering upon such preliminary discussion for the purposes indicated, without prejudice, of course, to the proceedings to be taken under the Award should no agreement be reached.

I also have the honor to acknowledge the receipt of your supplemental note of the 15th instant, stating that your Government suggests Washington as the most suitable place for the negotiations, which is entirely acceptable to me. I infer from this suggestion that it will be agreeable to you to have the negotiations carried on by conferences with protocols rather than by correspondence, which seems desirable to me in view of the number of acts to be discussed and the many considerations and details which will enter into the discussion. I should be glad to have any further suggestions which may occur to you on this or other points, in regard to the manner in which the proposed negotiations are to be conducted.

Accept etc.

P. C. KNOX

594. *Colonial Secretary to Governor General*

DESPATCH 927 Downing Street, December 16, 1910

My Lord,

With reference to previous correspondence, I have the honour to enclose, for the information of your Ministers, copies of telegraphic correspondence with the Governor of Newfoundland with regard to the proposed negotiations at Washington with respect to existing legislation affecting the North Atlantic fisheries.

I have etc.

L. HARCOURT

[ENCLOSURE 1]

Governor of Newfoundland to Colonial Secretary[1]

PARAPHRASE OF TELEGRAM [St. John's,] December 3, 1910

Fisheries question. My Ministers ask me to point out that a conference at Washington would be premature until the United States Government specifically state what are the detailed objections they have to offer to our fishery laws so that full consideration may take place before the conference. I have so informed the Secretary of State for the Colonies.

WILLIAMS

[ENCLOSURE 2]

Colonial Secretary to Governor of Newfoundland

TELEGRAM [London,] December 9, 1910

Your telegram 3rd December. His Majesty's representative Washington deprecates very strongly any attempt to obtain from United States Government formal statement of objections to Newfoundland fishery rules. He thinks this would endanger chance of friendly settlement and that United States Government would probably be unwilling to recede from position once formally stated. Secretary of State for Foreign Affairs concurs and hopes that your Government will agree to send representative at once to Washington.

HARCOURT

[ENCLOSURE 3]

Governor of Newfoundland to Colonial Secretary

TELEGRAM [St. John's,] December 12, 1910

Your telegram 9th December, my Ministers [garbled] comply with your request and will arrange to have a representative at Washington early in the new year.

WILLIAMS

595. *Governor General to Chargé d'Affaires in United States*

TELEGRAM Ottawa, January 3, 1911

Referring to your telegram 23rd December, the Honourable Sir Allen Aylesworth, Minister of Justice and the Honourable L. P. Brodeur, Minister of Marine and Fisheries, appointed to represent Canada at meeting of the Fisheries Conference at Washington on 9th January.

GREY

[1] Sent in error to Colonial Secretary instead of to Governor General.

596. *Ambassador in United States to Governor General*

DESPATCH 5 Washington, January 16, 1911

My Lord,

I have the honour to report that after daily conferences throughout the week a provisional settlement has been reached in regard to the objections of the United States Government as to existing fishery laws and regulations of Canada and Newfoundland, which objections were under the Hague Award suggested to be submitted to a Commission of Experts, subject to eventual reference to the Tribunal itself.

The first object of this Conference was to prevent the possibility of reconvening the Hague Tribunal for questions such as this; the second object was, if possible, to meet the objections of the United States in such a manner as to prevent any further difficulty in regard to them.

The first object has been satisfactorily attained in the first minute herewith inclosed, which applies to both Canada and Newfoundland and which, in its effect, transfers to the permanent Commissions recommended by the Award for settlement of questions concerning future regulations, under Article IV of the Special Agreement, that jurisdiction over questions as to existing regulations instituted by the Award under Article III—no doubt in order to avoid exceeding the terms of reference, while giving time for friendly settlement by negotiation, a settlement which has now been attained.

This joint settlement for Canada and Newfoundland having been effected and the Newfoundland Government not being in a position at present to meet all the objections of the United States Government to Newfoundland regulations, Sir E. Morris[1] left Washington on the evening of the 12th, it being understood that the Canadian Ministers would make no concessions as to Sunday fishing, purse seines, or other questions which might affect Newfoundland interests.

In the discussions, which went fully into all the regulations to which the United States Government had objected in Protocol XXX, Sir E. Morris intimated his willingness to alter some of the Newfoundland regulations, and took with him a note of the points on which he thought that concessions might be made by his country.

The conferences were then resumed on the 13th with a view of arriving at a friendly agreement in regard to the United States' objections to Canadian regulations. Some difficulty was experienced in finding a form for this second minute satisfactory to all parties. The United States Government wished to reserve to themselves the fullest right of reviving the objections in question should occasion call for it, and also were disposed to object in principle to the licensing system. The Canadian representatives wished to render it as difficult as possible to revive the objections and were (and, in my opinion, quite rightly) determined to make no concession as to licensing in principle. They were, however, prepared as result of the expert examination of certain regulations to make some minor amendments, which were chiefly of a tech-

[1] Prime Minister of Newfoundland, 1909-1918.

nical nature and did not prejudicially affect any Canadian interest. After much debate with the United States representatives and discussion among ourselves the annexed minute was agreed on and signed.

It will be observed that by the terms finally agreed to the right of the United States Government to revive their objections is restricted to cases in which changes likely to prejudice United States fishermen might occur in the general conditions of the fishery. Canada obtains on the other hand in return for such minor concessions as her representatives were prepared to make voluntarily, with no injury to her own fishing interests, a statement by the United States which amounts to an implied recognition of the reasonability of the licensing system; and the general result is a practical acceptance of the existing situation, subject to the minor amendments above referred to.

I may add that the two Canadian Ministers seemed to me to show a happy union of firmness in all essentials with a reasonable spirit in non-essentials, and their attitude was appreciated by the United States representatives, whose conduct of their side of the case evinced a no less friendly disposition, and who recognized unequivocally the fairness with which the Canadian laws and regulations had been administered. Both sides parted with cordial sentiments, and both the President and the Secretary of State expressed to me their great satisfaction that matters had been so adjusted as to leave pleasant recollections behind of the frame of mind in which questions had been dealt with, which at one time seemed likely to give rise to discussion and controversy. It was deemed especially fortunate that any necessity for a further reference to arbitration, with all the expense and delay that this might have involved, had been avoided by direct negotiation between the parties.

I have etc.

JAMES BRYCE

[ENCLOSURE 1]

Minute of conferences held at Washington the 9th, 10th, 11th, and 12th of January, 1911, as to the application of the Award delivered on the 7th September, 1910, in the North Atlantic Coast Fisheries Arbitration to existing regulations of Canada and Newfoundland

January 12, 1911

The undersigned having considered in detail and with expert assistance the steps to be taken in consequence of the Award in connection with the objections of the United States Government to existing regulations of the fisheries in Canadian and Newfoundland Treaty Waters as recorded in Protocol XXX of the Proceedings before the Tribunal of Arbitration, and having conferred as to the best means of dealing with these objections, have arrived at the following conclusion:

It is unnecessary to refer any existing regulations to the Commission of Experts mentioned in the Award in application of Article III of the Special

Agreement of January 27, 1909, or to reconvene the Tribunal of Arbitration; but any difference in regard to the regulations specified in Protocol XXX which shall not have been disposed of by diplomatic methods, shall be referred to the Permanent Mixed Fishery Commission to be constituted as recommended by the Hague Award under Article IV of the Special Agreement in the same manner as a difference in regard to future regulations would be so referred under the recommendations in the Award, unless by mutual consent some other rules and method of procedure are adopted.

CHANDLER P. ANDERSON
A. B. AYLESWORTH
L. P. BRODEUR
JAMES BRYCE
PHILANDER C. KNOX
E. P. MORRIS

[ENCLOSURE 2]

Minute of conferences held at Washington the 13th and 14th January, 1911, as to the objections of the United States to existing laws and fishery regulations of Canada as recorded in Protocol XXX of the proceedings of the North Atlantic Coast Fisheries Arbitration

January 14, 1911

The undersigned, having considered the best means of dealing with the objections above referred to, subject to the Minute of previous conferences signed January 12th, have arrived at the following conclusion:

Having regard to the present method of administering the Canadian laws and fishery regulations and to certain amendments which Canada is willing to make therein and to the present state of the fisheries and conditions under which they are carried on and places of fishing, the United States does not press at present any of the objections referred to in Protocol XXX which relate to Canadian laws and fishery regulations, it being understood that the right of the United States to renew such objections is not thereby in any way prejudiced should conditions change.

The amendments in regulations above referred to are:

Subsection 1 of Section 5 of the Special Fishery Regulations, Province of Quebec, approved on the 12th day of September, one thousand nine hundred and seven, is repealed and the following substituted therefor:

> 1. Fishing by means of cod trap-net without a license from the Minister of Marine and Fisheries is prohibited in the waters of the Gulf of St. Lawrence, except at the distance of one thousand yards from shore or one thousand yards from any similar net set from the shore.

Subsection 4 of Section 5 is repealed and the following substituted therefor:

> 4. If the leader of a cod trap-net extends from the shore any fishery officer may determine in writing or orally the length of the leader that shall be used.

Subsection (a) of Section 8 of the said Special Fishery Regulations is hereby repealed and the following substituted therefor:

1. (a) Fishing by means of herring trap-nets without a license from the Minister of Marine and Fisheries is prohibited in the waters of the Gulf of St. Lawrence except at the distance of one thousand yards from shore or one thousand yards from any similar net set from the shore.

Subsection (d) of Section 8 is hereby repealed and the following substituted therefor:

(d) If the leader of a herring trap-net extends from the shore, any fishery officer may determine in writing or orally the length of the leader that shall be used.

Subsection 9 of Section 5 (added):

Upon any inhabitant of the United States fishing with trap-nets in Canadian waters in the exercise of his liberties under the Treaty of 1818 applying for a berth site under the licensing provisions, such a license shall be issued in the usual course for any unoccupied berth site selected by the applicant upon payment of the regular fee in consideration of the exclusive use of such site, subject to the usual rules and regulations.

Clause (f) of Subsection 1 of Section 8 (added):

Upon any inhabitant of the United States fishing with trap-nets in Canadian waters in the exercise of his liberties under the Treaty of 1818 applying for a berth site under the licensing provisions, such a license shall be issued in the usual course for any unoccupied berth site selected by the applicant upon payment of the regular fee in consideration of the exclusive use of such site, subject to the usual rules and regulations.

L. P. Brodeur
A. B. Aylesworth
Chandler P. Anderson
James Bryce
Philander C. Knox

597. *Ambassador in United States to Governor General*

Despatch 12
My Lord, Washington, January 27, 1911

I have the honour to transmit herewith copies of a communication[1] received to-day from the United States Government submitting a draft agreement prepared for the purpose of recording the formal assent of His Majesty and the United States Government to the conclusions reached by the recent Conferences at Washington as to the best means of applying the Award rendered in the North Atlantic Coast Fisheries Arbitration to objections which the United States had taken to the existing fisheries regulations of Canada and Newfoundland. This agreement embodies the Minute signed by the representatives attending those Conferences and adds two supplementary paragraphs.

[1] Not printed. The substance of the United States note and the draft agreement is contained in this despatch.

The first records the acceptance of the recommendation in the Award as to the institution of the Permanent Mixed Fishery Commissions and recognizes their jurisdiction over existing as well as future regulations. In fact, it merely reproduces in the form of an agreement and in more precise terms the effect and intention of the Minute.

The second paragraph recognizes the validity of the provisions of Article IV of the Special Agreement which refer to summary arbitration at The Hague any future questions as to the interpretation of the Treaty of 1818 or of the Award. The United States Government think that a definite agreement on this point is advisable to make it perfectly clear that future questions as to the exercise of the fishing liberties shall be referred to the Permanent Commissions and future questions of interpretation of the Treaty and Award shall be referred to The Hague.

In my opinion there is on this point no ambiguity in the terms of the Award, nor do I find in the previous paragraph of the agreement anything that is not already provided for by the Minute. But there does not seem to be any objection to setting forth explicitly in the shape of a formal agreement that on which all are already in fact agreed, and there are some obvious advantages in the course now proposed by the United States.

I understand that they wish, if possible, to submit this agreement to the Senate before the end of this Session on March 4 and if, as may well be the case, there is no objection on the part of your Government to my signing it I should be glad to be so informed by telegraph.

I have forwarded the draft agreement to the Government of Newfoundland in a despatch in similar terms.

I have etc.

JAMES BRYCE

598. *Ambassador in United States to Foreign Secretary*[1]

Ottawa, May 7, 1911

Sir,

I have the honour to inform you that I have taken the opportunity of my visit to Ottawa to discuss with the Prime Minister of the Dominion, and Sir A. B. Aylesworth, the Minister of Justice, who was, as you will remember, the Agent of His Majesty's Government at the recent Arbitration on the North Atlantic Fisheries, the question pending between His Majesty's Government and the United States Government regarding the adoption of the recommendations made in the Award under the head of the first question and in pursuance of Article IV of the Treaty of 1909 (the Special Agreement), regarding the determination of questions which may arise in connection with future regulations for the conduct of the fisheries.

The earlier stages of the matter will be found described in a despatch with its enclosures, which was sent by the Governor General to the Secretary of State for the Colonies, bearing date of March 25th, 1911.

[1] A copy was given to the Governor General.

I told Sir Allen Aylesworth that the United States Government attach great importance to the acceptance *in toto* of the recommendations referred to above. Although they were in point of form no more than recommendations and not binding as a part of the Award, still the United States had understood that they had been accepted at The Hague on behalf of His Majesty's Government, or at any rate in such a way as to morally bind His Majesty's Government, and that the two national arbitrators had intended them to be so accepted. They were thus virtually, if not technically, made a part of the Award, and the United States representatives had, so I was informed, left The Hague under this distinct impression. Moreover, in the view of the United States Government much weight must be laid on the provision in the recommendations that the regulations should be communicated to them before being put in force, so as to give them an opportunity of asking that if the Canadian Government could not consent to modify them they might be submitted to the Permanent Commission for determination before taking effect. Otherwise it might happen that the United States fishing vessels might proceed to the fishing grounds in ignorance of some new regulations and might so find themselves debarred from fishing, to their great pecuniary loss, and to the creation of unfortunate friction between the two countries—a regrettable contingency, because it had been hoped that the provisions of the Award and these recommendations would for ever preclude in the future such causes of friction.

Sir Allen Aylesworth, after stating the views explained in the Governor General's despatch to which I have above referred, said that he was not aware that such an arrangement had been made as the United States believed, or had been sanctioned on behalf of His Majesty's Government. He felt that although the point at issue, viz., whether the regulations should take effect immediately on promulgation, or that time should be allowed for the United States to object, might appear to be one of sentiment rather than of practical importance, the dignity of Canada required that the regulations should take effect as being her work forthwith. The contention of the United States that the regulations were to be made jointly, the United States concurring in the making of them with Canada having been negatived by the Award, Canada's regulations ought therefore, in his view, to go in operation at once, although it had occurred to him that it might be arranged to have a provision that no regulation should be issued a certain length of time before the beginning of a fishing season, as this might be in the interests of all parties concerned. He recognized, however, that if it were the fact that the United States Government had been given reason to believe that such an arrangement as I have described had been made, that fact would affect his view of the position and might render it possible and fitting for Canada to waive the point of dignity, on which he had dwelt. I promised to obtain such further information as I could in order to ascertain exactly what had passed and I added that it seemed very desirable, in view of the fact that we had been signally successful on the main issues of the arbitration, that we should not now enter on a fresh dispute with the United States upon a point which might be regarded as of

comparatively minor magnitude. Considerations of general policy might well suggest that we should do what we could to strengthen the principle of arbitration and the authority of arbitration tribunals, by going as far as we could in the way of accepting recommendations as well as binding awards.

This consideration was of especial moment when we were trying to negotiate a general arbitration treaty with the United States. Their Government was, I could see, sensitive upon that point and I feared from what had been said to me in Washington that a difficulty arising between us and them over the compliance with recommendations made under an award, might have a prejudicial effect upon those pending negotiations, or upon an acceptance by the United States Senate of any draft treaty concluded between us and them which might be submitted to the Senate.

In the conversation which I held subsequently with Sir Wilfrid Laurier he took the same view as Sir Allen Aylesworth had done. He stated similar objections to the acceptance of the recommendations as a whole. But after I had laid before him the general considerations above set forth, he expressed himself as recognizing their force, taking much the same view as the Minister of Justice had done when they were placed before him. The conversation ended by my undertaking to endeavour to ascertain the nature and effect of the arrangement said to have been arrived at at The Hague on which the United States Government rely.

I have etc.

JAMES BRYCE

599. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH Downing Street, December 13, 1911

Sir,

With reference to previous correspondence on the subject of the North Atlantic Fisheries Arbitration, I have the honour to transmit to Your Royal Highness, to be laid before your Ministers, the accompanying copy of a letter[1] from the Foreign Office, dealing with the question of the acceptance by His Majesty's Government of the recommendations made by the Hague Tribunal as regards regulation of the fishery and the definition of bays.

2. I have also to enclose for the confidential information of your Ministers the accompanying copy of a letter which was addressed by Sir E. Grey to Mr. Bryce on the 27th June, giving the result of his discussion of the question of regulations with Sir W. Laurier and of a letter[2] to Sir W. Laurier of the same date. You will see that Sir E. Grey expressed the hope that Sir W. Laurier would, if necessary, feel able to concede the further point of publishing new regulations sometime before they come into operation, and the proposals subsequently made by Mr. Bryce are in fact an elaboration of this idea.

[1] Not printed.

[2] Not printed. The substance of the letter is implicit in this despatch.

3. I should be glad if you will call the early and earnest attention of your Ministers to these papers and will ask them to favour me as soon as possible with an intimation of your views on the questions put in the Foreign Office letter.

4. I have to add that a similar despatch is being addressed to the Governor of Newfoundland.

I have etc. L. HARCOURT

[ENCLOSURE]

Foreign Secretary to Ambassador in United States

PRIVATE

My dear Bryce, London, June 27, 1911

I have discussed the fisheries recommendations with Sir Wilfrid Laurier. He points out with great force that, if Canadian legislation is not to be operative till the Mixed Commission has decided upon objections brought forward by the United States, it will place Canada in the difficulty of having either to suspend her regulations altogether for an indefinite time, or to apply them to Canadians and not to Americans in the same water. The United States will have no incentive to hasten a decision upon their objections; for delay will be a positive gain to them, and the whole inconvenience of it will fall upon Canada. There will also be a tendency on the part of the Gloucester fishermen to raise objections to almost every regulation, so that it will be very difficult to make any fisheries regulations at all.

I think that there is great weight in what Sir Wilfrid urges. It seems to me that the fair plan would be for Canada to agree that the United States shall have a right to object to the regulations which Canada makes; that these objections shall be referred to the Mixed Commission of Experts; that Canada shall be bound by the decision of the Mixed Commission, and that she shall alter such regulations as are found to be unreasonable. But I do not think that Canada can be expected to suspend the operation of her regulations meanwhile.

Sir Wilfrid cannot pledge himself to this absolutely until he has returned to Canada, and has consulted his experts. But he is anxious to accept as much of the recommendations as he can, and he is prepared personally to go as far as I have indicated in this letter, if he finds it practicable.

Yours sincerely, E. GREY

600. *Governor of Newfoundland to Governor General*

DESPATCH

Sir, St. John's, December 26, 1911

I have the honour to enclose[1] for Your Royal Highness's information and for such action as you may desire to take, a copy of a letter which I have

[1] The enclosures referred to are not printed as they add nothing of substance to this despatch.

received from my Prime Minister, covering a copy of a letter addressed by the Board of Trade of St. John's to the Chambers of Commerce of Halifax and Lunenburg, on the subject of the contemplated formation of a French base for fishing at Sydney.

Your Royal Highness is no doubt aware that in the past Newfoundland has suffered much from former French rights, now happily put an end to by treaty, and that this country views with great apprehension the establishment of a French base in a position where they can obtain cheap supplies and unlimited bait and may, with their heavily bountied fish, be able to do serious damage to our fishing business.

The recent reports of senior naval officers on this station have been to the effect that Newfoundland need not greatly fear French competition, as the great distance from their base and the difficulties of bait under our Bait Act made the business one that would hardly pay.

With a base and bait to their hand at Sydney and cheap and ready supplies the position would be entirely changed, and I will ask Your Royal Highness to be good enough to lay the matter before your Ministers and to ascertain the views of the Chambers of Commerce of the Maritime Provinces before any definite steps are taken in Canada which shall result in the establishment of a large French depot in the Dominion.

It may be that Canada will not suffer directly by the proposed action, but having in view the general spirit in which the Dominion Government and the Government of Newfoundland have acted in all that concerns the fisheries question, I venture to hope that your Ministers will hesitate to allow any action which may be seriously detrimental to their close neighbour and sister colony.

I have etc.

RALPH WILLIAMS

601. *Governor General to Ambassador in United States*

DESPATCH 4

Sir, Ottawa, January 6, 1912

With reference to Your Excellency's despatch No. 134 of the 28th November enclosing a copy of the laws and regulations governing the clearance of fishing vessels from United States ports, I have the honour to transmit herewith for Your Excellency's consideration, copies of an approved Minute of the Privy Council for Canada setting forth the views of my responsible advisers as to the great contrast between the treatment afforded United States fishing vessels in Canadian ports and Canadian fishing vessels in United States ports.

I have etc.

ARTHUR

[ENCLOSURE]

Order in Council

P.C. 1 January 4, 1912

The Committee of the Privy Council have had before them a report, dated 29th December, 1911, from the Secretary of State for External Affairs, representing that the Minister of Marine and Fisheries has had under consideration the laws and regulations of the United States regarding the clearance of fishing vessels from United States ports.

The Minister of Marine and Fisheries observes that under the laws of the United States it is not competent to grant clearances for the high seas to foreign fishing vessels which may call at one of the ports of that country, and that such clearances can only be given for a port in a foreign country, so that a Canadian fishing vessel which might sail with her catch to a port in the United States and there dispose of her fish, after payment of the required duty, is obliged to take a clearance back to a port in Canada or to some country outside the United States before she can again return to a port in that country;

That this treatment is in striking contrast with that accorded to United States fishing vessels in Canadian ports. Under the Treaty of 1818, excepting on a restricted portion of the coast mentioned therein, United States fishing vessels are entitled to enter Canadian ports only for the four purposes of obtaining wood, water or shelter, or effecting repairs; but in all instances where such vessels come in for these purposes and find it desirable to dispose of their catches, they have been permitted to do so and have afterwards been granted clearances for the high seas, whence they may return to Canadian ports under similar conditions. Again, ever since 1888, on the payment of the small fee of $1.50 per registered ton, United States fishing vessels have been from year to year granted what are known as *modus vivendi* licenses, whereby they are permitted to enter Canadian ports for the purposes of purchasing bait, ice, seines, lines and all other supplies and outfits and the transshipping of catches and shipping of crews;

That while some licenses do not contemplate the selling by United States fishing vessels of their fish in Canadian ports, such sales have been allowed when asked for, and thereafter the vessels have been granted clearances for the high seas, whence they may return as they may choose to Canadian ports, so that in a very large measure they are permitted under such licenses to use Canadian ports as bases from which to operate.

The Minister of Marine and Fisheries is of opinion, in view of this considerate and favourable treatment of United States fishing vessels in Canadian ports, that it would not be unreasonable to suggest to the United States Government an amendment of its laws whereby Canadian fishing vessels visiting United States ports may be granted clearances therefrom to the high seas, from which they may return again with their catches to ports in that country.

The Committee, on the recommendation of the Secretary of State for External Affairs with the concurrence of the Minister of Marine and Fisheries,

advise that Your Royal Highness may be pleased to request His Majesty's Ambassador at Washington to bring this matter to the attention of the United States Government.

All which is respectfully submitted for approval.

602. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM Washington, February 10, 1912

SECRET. Hague recommendations. Following suggestion obtained from the United States Government for the formal regulation three designed to meet your objection to their previous proposal, viz.: Any law or regulation not so notified within the said period of one month and a half or which, having been notified, has been declared reasonable and consistent with the Treaty of 1818 by the Permanent Mixed Fishery Commission shall be held to be reasonable within the meaning of this award, but if declared to be unreasonable and inconsistent with the Treaty of 1818 it shall not be applicable to inhabitants of the United States exercising their fishing liberties under the Treaty of 1818.

BRYCE

603. *Ambassador in United States to Governor General*

DESPATCH 27 Washington, February 21, 1912

Sir,

I have the honour to inform Your Royal Highness that the Honourable J. D. Hazen, Minister of Marine and Fisheries; Mr. Newcombe, Deputy Minister of Justice; and Sir Joseph Pope, Under-Secretary of State for External Affairs, arrived in Washington on the 17th instant and after a conference which I held with them at the Embassy upon the subject which brought them to Washington (namely, the question of the adoption of regulations carrying out certain parts of the Award of the Tribunal in the Fisheries Arbitration), accompanied me to the State Department where we discussed the matter at full length with the officials of that Department who were in charge of the matter, upon the 19th, 20th and this day. The result of these discussions was to arrive at an agreement with the United States Government subject to the approval of Your Royal Highness's Government regarding the form which the regulations in question are to take. This form will of course be brought by Mr. Hazen to the notice of his colleagues and it is therefore not necessary for me to go into the details of the matter, which will in due course be brought to the knowledge of Your Royal Highness. I may, however, take this opportunity of expressing my sense of the advantages obtained by the visit of Mr. Hazen and the two other members of the Administration to whom I have referred and my appreciation of the judgment and tact which they displayed in the course of our discussions; and of the eminently fair spirit which, while having a scrupulous regard for the interests of Canada in every particular, they brought to the consideration of questions which have occupied the attention of the Dominion Government and of this Embassy for so long,

and have presented many difficulties which it required long thought and much pains to overcome. Sensible of the great contribution which has been rendered to the adjustment of these matters by the part borne in this stage of the negotiations by Mr. Hazen as a member of Your Royal Highness's Cabinet, I venture to hope that a final settlement of them, which shall if possible include Newfoundland also, is now at hand. I am reporting what has passed to His Majesty's Government in a like sense.

I have etc.

JAMES BRYCE

604. *Minister of Marine and Fisheries to Under-Secretary of State for External Affairs*

PRIVATE

Ottawa, February 24, 1912

Dear Sir Joseph,

I am enclosing you, herewith, copy of a letter received to-day from Mr. Bryce, with regard to the procedure to be followed in finally recording the acceptance of the recommendations referred to at Washington, so far as future regulations are concerned and as to bays.

Yours etc.

J. D. HAZEN

[ENCLOSURE]

Ambassador in United States to Minister of Marine and Fisheries

Washington, February 21, 1912

My dear Mr. Hazen,

It may be of use for you to have before you for the guidance of the Dominion Government what I understand was arranged between us as to the procedure to be followed in regard to finally recording the acceptance of the recommendations as to future regulations and as to bays. As soon as possible I should be glad to receive from the Dominion Government a Minute of Council formally requesting me to propose to the United States Government the agreement as to future and existing regulations as modified in our recent conferences. I have to-day cabled to His Majesty's Government and to the Government of Newfoundland the changes made in the agreement since it was shown to both these Governments, so that they will now have it in the form reached to-day, telling them that you have taken it to Canada for the approval of your colleagues. I have expressed a strong hope that they will agree, and hope to receive their replies before the formal request from your Government. Acceptance by the United States Government and signature will follow as a matter of course.

I understand that the Dominion Government will indicate their desire that agreements on both subjects be embodied as soon as possible in a formal instrument; and will in the same despatch express its views that acceptance of the recommendation as to bays is a condition precedent to formal acceptance of this agreement as to rules, and method of procedure, and further

that, pending the acceptance by Newfoundland of the Hague recommendations as to bays, they would desire that the acceptance by both Canada and the United States of those recommendations so far as they relate to Canadian bays should be recorded.

We may hope that the situation thus created will be one in which the assent of Newfoundland cannot be long delayed, as the Dominion Government, His Majesty's Government and the United States Government will all be on record as anxious to give full effect to an arbitral award and to preclude the danger of friction inherent in leaving things unsettled. On the other hand your wish, which His Majesty's Government share, that all consideration should be shown to Newfoundland, as a sister colony, will have been respected.

I shall be greatly obliged if you will kindly telegraph to me as soon [as] your Government has given its approval to what we settled to-day.

It has been a matter of great satisfaction to me to have had the pleasure of receiving you in Washington and I am sensible of the great advantage your presence has been.

Believe me etc.

JAMES BRYCE

605. *Governor General to Governor of Newfoundland*

TELEGRAM

Ottawa, March 29, 1912

My Government have arrived at agreement with United States Government to adopt, in modified form, the Hague recommendation relating to rules and methods of procedure for determining differences as to fishery regulations and also the recommendations respecting bays. They are informed by the British Ambassador that Newfoundland was notified of this arrangement on or about 23rd February. The United States are now urging Canada to sign the agreement thus arrived at. My Government are desirous of doing nothing to prejudice Newfoundland's interests in any way and would be glad to have expression of opinion of Newfoundland Government as to whether or no there is any objection to the agreement being signed so far as Canada is concerned as now urged by the United States. The arrangement arrived at with the United States is thoroughly satisfactory to my Government but they hesitate to take any action which might in any way hamper the action or prejudice the interests of Newfoundland. My advisers would be glad to have the views of Newfoundland Government at earliest convenience by telegram.

ARTHUR

606. *Governor of Newfoundland to Governor General*

DESPATCH

Sir,

St. John's, March 30, 1912

In reply to Your Royal Highness's telegram of the 29th March, relative to the agreement with the United States in respect to the Hague recommendations, I have the honour to enclose a copy of the recommendations[1] to which

[1] Not printed.

this Government has informed the Ambassador at Washington that they agree, and which have been communicated by me to the Secretary of State for the Colonies. My Government were greatly aided in this matter by the receipt from the Ambassador at Washington of the text of the recommendations which he stated had been agreed to by the Government of Canada.

My Government have not been able as yet to come to any agreement as to bays, but are still in communication with the Ambassador on the subject. The question is so all-important to Newfoundland that it cannot be hastily dealt with.

My Government are very sensible of Your Royal Highness's courtesy in communicating with me before signing the agreement.

I have etc.

RALPH WILLIAMS

607. *Chargé d'Affaires in United States to Governor General*

TELEGRAM Kineo, July 20, 1912

Newfoundland Fisheries Agreement signed to-day.[1]

INNES

608. *Ambassador in United States to Governor General*

TELEGRAM Washington, November 15, 1912

North Atlantic Fisheries Agreement ratifications exchanged to-day.

BRYCE

609. *Acting Consul General of France to Under-Secretary of State for External Affairs*

Monsieur le Sous-Secrétaire d'État, Montréal, le 6 mars 1913

Je viens de recevoir l'ordre de M. le Ministre des Affaires Étrangères à Paris de faire savoir aux autorités canadiennes que le Gouvernement français protestait à Londres contre l'amendement, présenté sous le nom de Bill 35, à la Chambre des Communes du Dominion, en vue de modifier le «Customs and Fisheries Protection Act», et relatif aux bateaux étrangers pêchant dans les eaux canadiennes.

Selon l'opinion du Gouvernement français les dispositions de cet amendement sont contraires aux articles 10 et 11 de la convention franco-canadienne de 1907.

Je vous serais obligé de vouloir bien communiquer cette information à M. le Premier Ministre ainsi qu'à M. le Ministre de la Marine et des Pêcheries et de m'en accuser réception.

Veuillez etc.

RAYNAUD

[1] On July 22 Innes wired to say that pending submission of the agreement to the Senate the State Department did not wish this news made public.

610. *Administrator to Colonial Secretary*

TELEGRAM Ottawa, May 27, 1913

Your despatch 2nd April, No. 245, Customs and Fisheries Protection Act. My Ministers consider that as proposed amendment to Act is general in application and expressly saves all treaty rights, there is nothing in Articles X and XI of Treaty regulating Commercial Relations between Canada and France of 19th September, 1907, in conflict with provisions of Bill as stated by French Ambassador. As regards complaint that prohibition would be enforced against French fishermen from which United States fishermen are exempt, Ministers state that under Treaty of 1818 United States fishermen have liberty to fish in common with British subjects on certain restricted portions of coast of Canada, and on all other parts of coast where they are prohibited from fishing they are permitted to enter harbours to obtain wood, water, shelter, and effect repairs, and for no other purpose. As regards part of amendment making it unlawful for foreign fishing vessels to enter for purpose of taking on board or landing crews or members thereof, no practical change is made in existing law effective for many years. Despatch follows with Minute of Council.

C. FITZPATRICK

611. *Colonial Secretary to Administrator*

DESPATCH 566 Downing Street, July 30, 1913

Sir,

With reference to Your Excellency's despatch No. 370 of the 28th of May, I have the honour to transmit to you, to be laid before your Ministers, the accompanying copy of a note which has been addressed to the French Ambassador on the subject of the Act to amend the Customs and Fisheries Protection Act.

2. I have also to transmit to you, for the consideration of your Ministers, a copy of a further note from the French Ambassador requesting that the steps taken to bring the Act into operation may be postponed until after the meeting of the conference on trawling which is, it is stated, to assemble shortly at Washington.

3. I shall be glad to receive an early intimation of the views of your Ministers on this question.

I have etc.

L. HARCOURT

[ENCLOSURE 1]

Foreign Secretary to Ambassador of France in United Kingdom

Foreign Office, July 24, 1913

Your Excellency,

I have been in communication with the Secretary of State for the Colonies in regard to the note which you were good enough to address to me on the 12th of March last on the subject of the Bill introduced into the Canadian

House of Commons to amend the Canadian Customs and Fisheries Protection Act, which Bill has, as Your Excellency is aware, now passed into law, having been assented to on the 6th of June last.

The Government of the Dominion are of opinion that, as the amendment to the Act is general in application and expressly saves all treaty rights, there is nothing in the provisions of the law which could be held to be contrary to the stipulations contained in Articles X and XI of the Treaty regulating the Commercial Relations between Canada and France of September 19th, 1907.

With regard to the opinion expressed by Your Excellency on behalf of the French Government that a prohibition would be enforced against French fishermen from which United States fishermen are exempt, the Dominion Government represent that under the Treaty of 1818 United States fishermen have the liberty to fish in common with British subjects on certain restricted portions of the coast of Canada, and on all other parts of the coast where they are prohibited from fishing, they are permitted to enter harbours, etc., for the purposes of obtaining wood, water, shelter and of effecting repairs, and for no other purpose whatever.

In conclusion, the Government of the Dominion point out that, so far as that portion of the amendment of the Act is concerned which makes it unlawful for foreign fishing vessels to enter Canadian waters for the purpose of taking on board or of landing crews or members thereof, no practical change is made in the law which has been effective for many years.

A copy of the note which you were good enough to address to me on the 10th instant on the same subject, has been forwarded to the Secretary of State for the Colonies, and I shall not fail to communicate further with Your Excellency in due course.

A copy of the new Canadian Act as finally passed is enclosed herewith.

I have etc.

E. GREY

[ENCLOSURE 2]

Ambassador of France in United Kingdom to Foreign Secretary

Monsieur le Secrétaire d'État, Londres, le 10 juillet 1913

A la date du 12 mars dernier, j'ai eu l'honneur d'appeler l'attention de Votre Excellence sur un amendement au «Customs and Fisheries Protection Act», qui a été adopté en seconde lecture par la Chambre des Communes du Canada. J'ai exposé le préjudice que cette disposition législative aurait pour effet de causer aux pêcheurs français et les motifs pour lesquels mon Gouvernement le considère comme contraire aux principes du droit des gens et aux articles 10 et 11 de la convention franco-canadienne de septembre 1907.

Le Consul-Général de France à Montréal a directement formulé la même réclamation auprès des autorités compétentes du Dominion. Or, il résulte des dernières nouvelles reçues par mon Gouvernement que, en dépit des protesta-

tions qu'il a présentées à Londres et à Ottawa, la disposition législative dont il se plaint et qui est désignée sous le nom de «Bill Hazen» a été mise en application depuis le début de juin dernier.

Conformément aux instructions du Ministre des Affaires Étrangères de la République, j'ai l'honneur de renouveler auprès de Votre Excellence les observations et les réserves qui ont fait l'objet de mon mémorandum du 12 mars dernier. Une conférence devant prochainement se réunir à Washington pour l'étude de la question des chalutiers, le Gouvernement français aurait désiré que le Gouvernement canadien pût surseoir à toute décision définitive, jusqu'à ce que les représentants de la France à cette conférence y eussent fait entendre leurs observations. En présence de la mesure qui a été prise par le Gouvernement du Dominion, Monsieur Pichon m'a chargé de solliciter de Votre Excellence une réponse à mon précédent mémorandum, et de m'enquérir de la suite que le Gouvernement britannique jugera pouvoir donner à la présente communication.

Veuillez agréer etc.

PAUL CAMBON

612. *Under-Secretary of State for External Affairs to Secretary, Governor General*[1]

Ottawa, March 23, 1914

Sir,

With reference to a despatch from the Secretary of State for the Colonies to the Governor General, dated 3rd March, 1914,[2] relative to the application to French fishing vessels of the Act to amend the Customs and Fisheries Protection Act, Chapter 14 of the Statutes of Canada for 1913, I am to state that this matter was taken up directly by the Consul General of France at Montreal with the Minister of Justice. The Consul General was informed on the 14th February last by the Minister of Justice, that the amendment in question would not apply to French fishing boats during the coming season, and further that they would not apply, nor would any new law of the same nature affecting such French vessels be adopted, until after he (the Consul General) has been given notice of the intention of the Government to this effect, long enough in advance to allow the French Government to make all the observations desired, and to render possible a thorough discussion of the exact determination of the rights of French fishing vessels in virtue of the commercial treaty with France.

I am to request that His Royal Highness may be humbly moved to cause the Secretary of State for the Colonies to be informed in this sense.

I have etc.

JOSEPH POPE

[1] Transmitted to the Colonial Secretary March 25, 1914.

[2] Not printed. The substance of the despatch, accompanying a brief note from the French Embassy in London, is implicit in this letter.

613. *Ambassador in United States to Governor General*

DESPATCH 71

Sir, Washington, April 15, 1914

I have the honour to transmit to Your Royal Highness herewith copy of memorandum[1] which I have received from the State Department regarding "the general subject of fishing privileges for American vessels in Newfoundland and the Dominion of Canada." I also have the honour to transmit copy of my acknowledgment of this memorandum.

This memorandum summarizes the history of the various negotiations on this subject during the last century and emphasizes the principle of reciprocity embodied in, or in practice applied under, various agreements, according to which the removal of the United States duties on fish has been accompanied by a corresponding removal of restrictions placed on American fishermen in the ports of Canada and Newfoundland—restrictions which the memorandum assumes to be the counterpart of the United States duties and designed solely to equalize competition in view of those duties.

The memorandum then points to the removal of the United States duties on fish by the Tariff Act of October 3rd last as furnishing ground for a new application of this principle of reciprocity and enquires whether the Governments of Canada and Newfoundland "will concede to American fishermen the free privilege of entering any of the Atlantic ports of Canada and Newfoundland in sailing vessels, with or without auxiliary motor power, to purchase coal, kerosene and other fuel, bait, ice, food, charts and other supplies and equipment; to repair fishing gear, including dories, seine boats, nets and the like; to tranship the catch; and to ship crews."

It appears unnecessary to comment upon the historical part of this memorandum, until I am informed whether Your Royal Highness's Government is in practice disposed at the present moment to consider favourably the proposals of the United States Government. I need only say that the Secretary of State appears to have these proposals very much at heart, and to be particularly anxious to secure the privileges in question to American fishermen in view of the competition to which they are subjected under the present tariff.

A similar despatch covering copies of the memorandum has been addressed to His Majesty's Principal Secretary of State for Foreign Affairs and the Government of Newfoundland.

The note referred to at the beginning of the memorandum was that enclosed in my despatch to Your Royal Highness No. 111 of June 30th last.

I also have the honour to enclose copy of a personal letter from the Secretary of State, in which he emphasizes the importance he attaches, in the interest of cordial relations and the extension of trade, to a liberal policy of give and take between His Majesty's Dominions and the United States, together with the copy of my reply.

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[1] Not printed. The substance of the memorandum is implicit in the enclosure to this despatch.

I should explain that I have delayed sending this despatch for a few days in order that I might include in it this letter from Mr. Bryan which he had warned me he was writing.

I have etc.

CECIL SPRING RICE

[ENCLOSURE]

Secretary of State of United States to Ambassador in United States

Washington, April 13, 1914

My dear Mr. Ambassador,

You have received from the Department the memorandum of which I spoke to you personally, relating to the discriminations contained in the Canadian laws against citizens of the United States engaged in fishing on the North Atlantic coast, and I beg to add a word by way of emphasizing the importance of the subject.

Various agreements have been made, from time to time, in which the United States and Canada have balanced equities, so to speak, or exchanged privileges. Under the terms of our last tariff law, however, your fishermen now secure without treaty certain commercial advantages which they formerly secured only by treaty.

The fishermen along our coast feel that in return for the reductions made by our tariff law they should be given the privileges that they have heretofore secured through treaty concessions, and I can not deny that there is great force in their contention. It is a hardship to them to have to pay so heavy a fishing license and still greater hardship to be denied a license entirely for vessels equipped with auxiliary power.

Their request also for the privilege of shipping their fish back to the United States through Canada would seem to involve no interference with the fishing industry of Canada, but, on the other hand, would give business, so far as the privilege is used, to your railroads.

Will you be so kind as to bring this matter to the attention of the Canadian Government and fortify our request with such arguments as you may feel justified in making?

We shall be making substantial progress toward ideal relations when we do justice because it is right to do so, rather than as an exchange of favours. Being an advocate of the largest practicable extension of our commercial relations, I feel a personal interest in aiding our fishermen to secure these seemingly reasonable privileges, which I feel sure can be granted without any surrender of material advantage upon the part of Canada. We know that unfairness tends to provoke unfairness—the evidence is only too abundant; we shall aid humanity if we can contribute to the establishment of the truth of the reverse proposition, namely that fairness begets fairness. What countries are under greater obligation to act on this principle than these two neighbouring countries?

In transmitting a copy of this letter to the Honourable Premier, Mr. Borden, I beg you to present my compliments and assurances of esteem. The agreeable acquaintance which I formed with him leads me to feel sure that he will give very prompt and just consideration to any question affecting the mutual welfare and good relations of our countries.

I am etc.

WILLIAM JENNINGS BRYAN

614. *Governor General to Ambassador in United States*

DESPATCH 181

Ottawa, August 4, 1915

Sir,

With reference to Your Excellency's despatch No. 71 of the 15th April, 1914, on the subject of fishing privileges for American vessels in Newfoundland and Canada, I have the honour to transmit herewith a copy of an approved Minute of the Privy Council for Canada,[1] from which Your Excellency will observe that the Canadian Government is conferring with that of Newfoundland and that a reply to Your Excellency's despatch above referred to will be submitted as soon as practicable.

I have etc.

ARTHUR

615. *Governor of Newfoundland to Governor General*

DESPATCH

St. John's, January 3, 1916

Sir,

With reference to Your Royal Highness's despatch of the 22nd November last, I have the honour to annex copy of a letter received from the Honourable Colonial Secretary—under date 29th ultimo—on the subject of fishing privileges for United States vessels in Newfoundland and Canada.

I have etc.

W. E. DAVIDSON

[ENCLOSURE]

Colonial Secretary, Newfoundland, to Governor of Newfoundland

St. John's, December 29, 1915

Sir,

I have the honour to refer to the despatch received from H.B.M. Ambassador at Washington, dated 15th April, 1914,[2] covering copy of a memorandum from the State Department at Washington regarding the general subject of American fishing privileges in Newfoundland and the Dominion of

[1] Not printed. The substance of the Order in Council, dated July 30, 1915, is contained in this despatch.

[2] A despatch similar to Document 613.

Canada; also, despatch from the Secretary of State, dated 21st May, on the same subject, as well as the several communications from His Royal Highness the Governor General of Canada. I have already informed Your Excellency why this matter was not attended to earlier.

I beg now to intimate that, after giving the question every consideration, and notwithstanding the removal by the United States of duties on fish entering that country from this colony under the Tariff Act of October 3, 1913, Ministers are unable to see any ground for renewing the application of the principle of reciprocity between Newfoundland and the United States, or anything to justify the conceding of the free privileges asked for to American fishermen. As a matter of fact, the alteration in the tariff has brought no benefit to this country, and, on examination, it will be found that the value of fishery products from this country, which have entered into consumption in the United States since the alteration of the tariff, is less than in the years preceding that alteration.

I have etc.

J. R. BENNETT

616. *Governor General to Ambassador in United States*[1]

DESPATCH 43 Ottawa, February 22, 1916

Sir,

I have the honour to transmit, herewith, copies of an approved Minute of the Privy Council for Canada on the subject of the extension of fishing privileges for United States vessels in Newfoundland and the Dominion.

I shall be grateful if Your Excellency will cause this Minute to be communicated to the United States authorities.

I have etc.

ARTHUR

[ENCLOSURE]

Order in Council

P.C. 339 February 18, 1916

The Committee of the Privy Council have had before them a report, dated 14th February, 1916, from the Right Honourable the Secretary of State for External Affairs, to whom was referred a despatch from the Governor of Newfoundland, dated 3rd January, 1916, enclosing copy of a letter His Excellency had received from his Colonial Secretary on the subject of the extension of fishing privileges for United States vessels in Newfoundland and the Dominion.

[1] Similar despatches were sent to the Colonial Secretary and to the Governor of Newfoundland.

The Minister represents that while Canada is of opinion, in the light of experience, that the system of *modus vivendi* licenses has operated against the interests of the Canadian fisheries, yet by reason of the fact that fresh fish is now being admitted to the United States duty free, it does not seem expedient at the present time to discontinue these licenses.

The Minister further represents, as stated in the memorandum from the United States Government, enclosed in Sir Cecil Spring Rice's despatch of the 15th April, 1914, that Canada limits such licenses to vessels driven by sails only. This policy was adopted in 1904, when it was ascertained that a number of United States fishing vessels were installing motor power, and would consequently be able to avail themselves of the privileges involved to a greater extent than was contemplated when the arrangement was entered into, at which time only sailing vessels were being used in the fisheries.

The Minister states that owing to the large extent to which auxiliary motor power is now being used in United States fishing vessels, fewer and fewer of such vessels are eligible for licenses. Hence the value of the *modus vivendi* arrangement to United States fishing vessels generally is becoming seriously curtailed. On the other hand, the following disadvantages are being experienced by Canadian fishing vessels in United States ports:

(*a*) Canadian fishing vessels are not allowed to take their catches direct to a United States port. They must forward their fish by the usual transportation lines.

(*b*) Canadian fishing vessels going to United States ports for any purpose, are not granted a clearance for the fishing grounds, but must clear for a home port, or a port in some foreign country outside the United States, thus causing valuable time to be lost to such vessels.

The Minister observes that this treatment is in striking contrast to that accorded United States fishing vessels in Canadian ports. Under the Treaty of 1818, excepting on a restricted portion of the coast mentioned therein, United States fishing vessels are entitled to enter Canadian ports for the four purposes of obtaining wood, water or shelter or effecting repairs only; but in instances where such vessels come in for any of these purposes and find it desirable to dispose of their catches, they have been permitted to do so and afterwards have been granted clearances for the high seas, from whence they may return to Canadian ports under similar conditions. This is entirely in addition to the privileges granted them under *modus vivendi* licenses. Moreover, while such licenses do not provide for the selling of their fish in Canadian ports, that privilege has been allowed from time to time when asked for, and thereafter the vessels have been granted clearances for the high seas.

Also, while Canadian lobster fishermen are not allowed to fish for lobsters either outside or inside territorial waters during the close season provided as a rest time by the Canadian regulations, United States lobster fishing boats come over to certain parts of the Canadian coast and carry on lobster fishing outside territorial waters during the said close time inside, thus minimizing the protective effect of the Canadian law.

The Minister observes that in these circumstances Canada is prepared to consider making the present *modus vivendi* licenses available to all United States fishing vessels, no matter how driven (excepting those engaging in the lobster fishery) and to lower the fee thereon to a nominal sum, conditional upon the United States removing the disabilities indicated above.

The Committee concur in the foregoing and, on the recommendation of the Right Honourable the Secretary of State for External Affairs, advise that Your Royal Highness may be pleased to transmit a copy hereof, if approved, to His Majesty's Ambassador at Washington and also to the Right Honourable the Secretary of State for the Colonies.

All of which is respectfully submitted for approval.

617. *Ambassador in United States to Governor General*

TELEGRAM Washington, March 8, 1916

SECRET. With reference to your despatch No. 43 please see enclosure to my despatch No. 23 showing that Newfoundland Government [reject] United States suggestion whereas Canadian Government appear to be willing to entertain it on certain conditions.

From your despatch No. 181[1] of last year I understand that Canada was communicating and desired to act in harmony with Newfoundland and consequently I am withholding communication to the United States Government until I am informed whether the two Governments are in accord or desire separate replies to be sent.

Newfoundland and Foreign Office informed.

SPRING RICE

618. *Governor General to Ambassador in United States*

SECRET DESPATCH 77 Ottawa, March 29, 1916

Sir,

With reference to Your Excellency's secret despatch of the 8th March on the subject of the extension of the *modus vivendi* privileges to United States citizens, I have the honour to transmit, herewith, for Your Excellency's information, copies of an approved Minute of the Privy Council for Canada[2] to the effect that my Ministers have decided to deal with the matter independently, as it has been ascertained that the Government of Newfoundland is not prepared under any conditions to meet the suggestions of the United States Government.

I have etc.

ARTHUR

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[1] Document 614.

[2] The substance of the Order in Council of March 28 is contained in this despatch.

619. *Governor General to Ambassador in United States*

SECRET DESPATCH 172
Sir, Ottawa, August 5, 1916

With reference to my despatch secret, No. 77, of the 29th March last, on the subject of the extension of fishing privileges for United States vessels in Canada, I have the honour to state that my Ministers desire to be informed whether the Minute of Council enclosed in my despatch No. 43 of the 22nd February last has been communicated by Your Excellency to the Government of the United States, and if so whether any reply has yet been received from that Government.

I have etc.

ARTHUR

620. *Ambassador in United States to Governor General*

TELEGRAM Washington, August 9, 1916

SECRET. Your despatch 172. Owing to refusal of Newfoundland Government to act with Canadian Government the matter has been referred for consideration to the Foreign Office who have not yet answered. I have again asked for instructions. Has Colonial Office communicated with you?

SPRING RICE

621. *Ambassador in United States to Governor General*

DESPATCH 223 Washington, September 9, 1916

. . . I await instructions as to whether I should now proceed with the communication of the Minute of the Privy Council of the 18th February last relative to the Atlantic fisheries and whether in connection with this question, or on an entirely separate basis, I should discuss the North Pacific question with the State Department. As I have already had the honour to report, Lord Grey has instructed me to proceed with the Atlantic fisheries discussion on behalf of the Dominion although Newfoundland has refused its adhesion.

It is of course not within my province to offer suggestions as to a question of which I am ignorant but from the point of view of negotiations here, I venture to think that the denial of transit rights by sea between Prince Rupert and Seattle, appears to arouse particular opposition in the State Department which argues that the object of removing the tariff on fish was to cheapen that product for the American consumer and that as the freight charge by sea is much less than by land, the measure complained of defeats the object pursued by the United States in removing the duty on fish.

The point of view of the Minister of Commerce is that if facilities are given for rapid transit between Katchican and Prince Rupert, the latter port will necessarily become the port of entry for the American continent for the

produce of Alaska, but that if a policy of competition is adopted by the authorities at Prince Rupert, the United States Government will take measures to protect the interest of its citizens, that is those who have invested capital in Katchican.

I have etc.

CECIL SPRING RICE

622. *Administrator to Ambassador in United States*

SECRET DESPATCH 221 Ottawa, October 17, 1916

Sir,

With respect to previous correspondence on the subject, and more particularly to Your Excellency's cypher telegram of the 7th September, on the subject of the request of the United States Government for the extension of the *modus vivendi* privileges to United States fishing vessels on the Atlantic coast, I have the honour to transmit, herewith, for Your Excellency's information, copies of an approved Minute of the Privy Council for Canada setting forth the views of my responsible advisers. The Minute of Council of the 18th February was forwarded to Your Excellency in His Royal Highness's despatch No. 43 of the 22nd February last.[1]

I have etc.

C. FITZPATRICK

[ENCLOSURE]

Order in Council

P.C. 2218 October 12, 1916

The Committee of the Privy Council have had under consideration a report, dated 16th September, 1916, from the Right Honourable the Secretary of State for External Affairs, to whom was referred a telegraphic despatch from His Majesty's Ambassador at Washington to the Governor General on the subject of the request of the United States Government for the extension of the *modus vivendi* privileges to United States fishing vessels on the Atlantic coast, representing, with the concurrence of the Minister of the Naval Service, that he sees no reason for further delay in communicating to the United States Government the views of this Government, as contained in the Minute of the Privy Council approved by Your Royal Highness on the 18th February last.

The Minister observes, with regard to the Ambassador's inquiry as to whether he should bring up the question of Pacific fisheries at the present time, that inasmuch as no request has been received from the United States Government asking for the grant of additional privileges to their fishing

[1] Document 616.

vessels on the Pacific coast, he, the Minister, does not consider it expedient that this Government should take any further steps in this matter at the present time. It is probable that as the bill prohibiting the importation into the United States of Pacific halibut or salmon through a foreign country, excepting in bond from a United States port, has been dropped, some representations will shortly be made by the United States Government on the subject, but in the Minister's opinion it would be well to await such representations and to deal with them separately.

The Committee of the Privy Council concur in the foregoing, and recommend that Your Royal Highness may be pleased to forward a copy of this Minute to His Majesty's Ambassador at Washington.

All which is respectfully submitted for approval.

623. *Ambassador in United States to Governor General*

DESPATCH 47

Washington, April 3, 1917

My Lord Duke,

With reference to my despatch No. 246 of the 24th of October, 1916, and to previous correspondence respecting the suggestions made by the United States Government for the extension, in certain respects, of the privileges of American fishing vessels in Canadian ports, I have the honour to transmit, herewith, copies of the reply of the United States Government to the note on the subject which I addressed to them on October 20, 1916.

It will be seen that the United States authorities do not feel themselves able to accept the arrangement proposed by the Canadian Government and express the hope that the facilities which they desire may be extended to their vessels as the result of the advantages which Canadian fishermen receive under the present United States Tariff Law.

A copy of the enclosed note is also being forwarded to the Foreign Office.

I have etc.

CECIL SPRING RICE

[ENCLOSURE]

Secretary of State of United States to Chargé d'Affaires in United States

No. 1519

Washington, March 28, 1917

Sir,

The Government of the United States has attentively considered the views of the Canadian Government set out in your note of October 20, 1916, on the considerations presented in the Department of State's memorandum of April 7, 1914, in regard to the extension of fishing privileges for United States vessels in the ports of the Dominion of Canada, and the statement made

in your note that the Canadian Government are prepared to consider making the present *modus vivendi* licenses available to all fishing vessels no matter how driven (except those engaging in the lobster fishery) and to lower the fee thereon to a nominal sum, conditional upon the United States removing the disabilities on Canadian fishing vessels visiting United States ports, which you specify as follows:

(*a*) Canadian fishing vessels are not allowed to take their catches direct to a United States port. They must forward their fish by the usual transportation lines.

(*b*) Canadian fishing vessels going to United States ports for any purpose, are not granted a clearance for the fishing grounds, but must clear for a home port, or a port in some foreign country outside the United States, thus causing valuable time to be lost to such vessels.

As the result of this consideration I have the honor to inform you that the Government of the United States is unable to accept the arrangement proposed for the reason that the policy of American laws is to limit the privileges of the coastwise trade and the fisheries to American vessels. To accede to the conditions proposed by Canada would place Canadian vessels and American vessels engaged in the fisheries on a basis of equality in American ports, while in Canadian ports American vessels would still be subject to the procuration of licenses and American catches to the imposition of tariff duties when entered for sale. The view of the United States Government is, as has been explained at length in the Department's note of April 7, 1914, that the importance to Canadian fishermen of the free entry into the United States of fish and fishery products is sufficient to entitle American fishermen in equity and justice to a substantial modification of the license system under the Canadian Act of 1906. When, as appears to be the fact, a large proportion of the total importation of fish into the United States is brought in by Canadian fishing vessels, these vessels having, for instance, carried into the port of Gloucester alone, during 1916, about thirty-eight per cent of the total amount of fish landed at that port, it would seem that the advantages flowing to Canadians from the exemption from customs duties alone should incline the Canadian Government to grant American fishermen licenses for fishing vessels, whether or not equipped with motor power, for the purposes mentioned in the note of April 7, 1914. While American fishermen would be pleased to have the fee for such licenses reduced, I am advised that that concession is regarded by them as secondary to the extension of licenses to include motor-driven vessels. The Government of the United States therefore hopes that the Canadian Government will see its way clear to reconsider this matter and to reach a conclusion more favourable to American fishing interests.

I have etc.

ROBERT LANSING

624. *Governor General to Ambassador in United States*

DESPATCH 110
Sir, Ottawa, June 15, 1917

With reference to Your Excellency's despatch of the 3rd April last respecting the extension of the *modus vivendi* privileges to United States fishing vessels visiting Atlantic Coast ports, I have the honour to transmit, herewith, copies of an approved Minute of the Privy Council for Canada setting forth the basis upon which my Government are prepared to favour a settlement of the whole matter on both coasts.

I have etc.

DEVONSHIRE

[ENCLOSURE]

Order in Council

P.C. 1506 June 11, 1917

The Committee of the Privy Council have had before them a report, dated 31st May, 1917, from the Right Honourable the Secretary of State for External Affairs, to whom was referred a despatch from His Majesty's Ambassador at Washington, dated 3rd April, 1917, with copy of a reply of the United States Government to the proposals of the Canadian Government respecting the extension of the *modus vivendi* privileges to United States fishing vessels visiting our Atlantic Coast ports, reporting that the United States Government are unable to accept the arrangement proposed, owing to the policy of the United States to limit privileges of coastwise trade and the fisheries to American vessels.

The Secretary of State for External Affairs submits that it is further intimated that to accede to the proposed conditions would place Canadian vessels and American vessels engaged in the fisheries on a basis of equality in American ports, while in Canadian ports American vessels would still be subject to the procuration of licenses, and their catches to tariff duties when entered for sale, and the United States Government feel that the importance to Canadian fishermen of free entry into the United States markets of fish and fishery products, is sufficient to entitle United States fishermen in equity and justice, to a substantial modification of the license system, and the hope is therefore expressed that the Canadian Government will reconsider the matter and reach a conclusion more favourable to American fishing interests.

Apart from the fact that any benefit arising from free entry of fish into the United States is minimized by reason of the fact that Canadian fishing vessels are not permitted to take their catches direct to United States ports, but must ship them through the more expensive ordinary mercantile channels, it does not appear to be feasible to arrange a matter of this kind on a tariff basis, as such is subject to change at any time.

Moreover, it must not be overlooked that by the Treaty of 1818, the United States secured for their fishermen the liberty of fishing in common with British fishermen in certain of our territorial waters, and of using certain ports for drying and curing fish, and that they renounced in set terms any privileges for their fishermen on all other portions of the coast, except those of entering our bays and harbours for the purposes of obtaining wood, water and shelter, and of effecting repairs. It therefore seems proper that the extension of such privileges should be the subject of a conventional arrangement.

That the existing *modus vivendi* privileges are of great value to the United States fishing vessels eligible for them, is evident from the information before the Department of the Naval Service. That if they were available to all fishing vessels, excepting lobster well-smacks, and extended in certain directions, they would be of incalculably greater benefit, is also clear. For instance, it frequently happens that a vessel after being on the banks for a few days, encounters bad weather, or owing to poor fishing conditions, may run short of bait after catching only a few thousand pounds of fish, and so must run for port. In such cases, it pays the vessel to go to the nearest port and there dispose of her fish, either by transhipment or sale, and after refitting or restocking her supplies, to go direct to the fishing grounds, rather than to lose time by sailing to her home port.

Only a few days ago the Gloucester auxiliary fishing schooner *Andrew L. Marshall* came into Liverpool, Nova Scotia, in stress of weather, and needing some repairs. She had on board 12,000 pounds of fresh fish, and a quantity of unused bait. Being an auxiliary vessel, she was not eligible for a license, but in the circumstances, authority was given to tranship her fresh fish and bait to the United States. It transpired that she could not conveniently do this, and permission was then given for the sale of the fish and bait locally, but though the correspondence was carried on by telegraph, over a day was lost to the vessel. Indeed, it frequently happens that from forty to fifty requests for special concession by unlicensed and licensed vessels, which find themselves in unexpected conditions, reach the Department of the Naval Service in the course of a season.

That it would be of distinct and marked advantage to such vessels if they were at liberty to go to any Canadian port and there sell or tranship their fish, as they might find best, and after procuring such supplies as they required, return directly to the fishing grounds, is obvious. It would mean in the aggregate, the saving of many weeks of valuable fishing time to the United States fishing fleet.

Also, on the Pacific coast the United States fishing vessels, owing to geographical and bait conditions, must be largely dependent on Canadian concessions for their economic operation.

Since 1897, United States fishing vessels have, on that coast, from year to year been permitted by special arrangement to come to Canadian ports and there ship their fish in bond, and during the past few years they are also permitted, if they choose, to sell their fish in bond, as well as to procure bait and other supplies and outfits, and even vessels that do not bring in

fish are allowed to procure bait and supplies conditional upon the catches made from such bait being brought to a Canadian port.

The United States Government ask for the discontinuance of this restriction on the supplying of bait.

Other difficulties on the Pacific coast have for the present been removed.

The *modus vivendi* licenses on the Atlantic coast, as well as the concession on the Pacific, are only yearly, and are so subject to modification from year to year, or even to discontinuance. This lack of stability of arrangement is embarrassing to the industry, and militates against possible and proper development of the business.

In all the circumstances, it is evident that the only finally satisfactory method of dealing with the matter is by a conventional arrangement covering both coasts, which would not be affected by tariff conditions in either country, and which would be balanced and just to the fishermen of both countries. Such an arrangement would remove the ground for conditions arising, or measures being taken in either country that would tend to cause friction, and thus it would operate towards ideal relations for the development of which no time could be more fitting than the present.

The Right Honourable the Secretary of State for External Affairs, in view of the above considerations, and with the concurrence of the Minister of the Naval Service, is disposed to favour a settlement of the whole matter on both coasts on the following basis:

1. That the *modus vivendi* be extended to all fishing vessels, by whatever means they may be propelled, that it be applied to the Pacific coast as well as to the Atlantic, and that the annual fee be reduced from one dollar and fifty cents per registered ton to the nominal sum of one dollar per vessel. Also, that the renewal of the licenses from year to year be not conditional on an Order in Council, but form part of the arrangement itself.
2. That United States fishing vessels on both coasts be allowed to sell their fish in Canadian ports for the Canadian markets, subject to customs duty, as well as to sell in bond.
3. That Canadian fishing vessels be allowed to purchase bait in United States ports or waters, on equal terms with American fishing vessels.
4. That Canadian fishing vessels be allowed to take their catches to United States ports and sell them there, subject to customs duties, if any.
5. That fishing vessels of either country visiting ports in the other, be given clearances for the fishing grounds if so desired.
6. That the United States prevent American lobster well-smacks from fishing off the Canadian coasts during the close seasons for lobster fishing on such coasts.
7. That such arrangement be in force until the expiration of two years after either party thereto shall give notice to the other of its wish to terminate the same.

The Secretary of State for External Affairs observes that possibly it is not known to the United States authorities that these lobster well-smacks

almost exclusively employ resident Canadian fishermen, who thus evade the laws to which they would be subject if they attempted to carry on such fishing in Canadian boats. In the case of one well-smack that came to the attention of the Department of the Naval Service last year, the only American citizen on board was the captain, the fishermen all being residents of Shelburne county, Nova Scotia.

It is observed that the United States Secretary of State states that about thirty-eight per cent of the fish imported into Gloucester last year, were brought in by Canadian fishing vessels. These fish would not be fresh, but would be partly cured or cured fish, purchased at different points along the Canadian coasts, and probably to some extent in Newfoundland, by Gloucester dealers.

It might be inferred from the statement of the United States Secretary of State that such fish were brought in by the vessels in their capacity as fishing vessels, but it will be found on examination that the Canadian vessels delivering fish at that port during the past year were all merchant vessels, though it is quite possible that fishing vessels may have been temporarily withdrawn from their occupation and converted into trading vessels, in order to engage in the transportation of such fish.

The Committee of the Privy Council concurring in the recommendations above set out advise, on the recommendation of the Secretary of State for External Affairs, that Your Excellency may be pleased to forward a copy hereof to His Majesty's Ambassador at Washington.

All of which is respectfully submitted for approval.

625. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM Washington, September 26, 1917

With reference to your despatch No. 1066, Secretary of State says Government of United States cannot reply regarding fisheries until there has been full joint consideration and will shortly propose a joint commission of inquiry. Secretary proposes appoint Smith and Assistant Secretary Commerce, but this is not decided. He asked me to inform you at once for the information of Canadian Government. Would they be prepared to appoint two commissioners?

SPRING RICE

626. *Governor General to Ambassador in United States*

PARAPHRASE OF TELEGRAM Ottawa, October 6, 1917

With reference to your telegram 26th September, joint commission of inquiry into fisheries question at issue between two countries, Canadian Government agreeable to appointment of proposed commission and are prepared to recommend appointment of two commissioners to confer with commissioners of United States as soon as latter have been appointed.

DEVONSHIRE

627. *Chargé d'Affaires in United States to Governor General*

DESPATCH 72
Washington, February 9, 1918

My Lord Duke,

I have the honour to forward to your Excellency, herewith, copy of a report on the proceedings of the American-Canadian Fisheries Conference drawn up for me by Mr. Arnold Robertson, First Secretary at this Embassy and Secretary to the Canadian delegates, and a copy of which has been forwarded to the Foreign Office.

I have etc.

COLVILLE BARCLAY

[ENCLOSURE]

Report to Chargé d'Affaires in United States

Washington, February 9, 1918

Sir,

I have the honour to report that since January 17, 1918, I have, in accordance with your instructions and at the request of the Canadian Government, been acting as secretary to the Canadian delegates to the American-Canadian Fisheries Conference. The Conference, which originated at the suggestion of the United States Government, has for its object the consideration of all outstanding fisheries questions between Canada and the United States, with a view to recommendations for their settlement being made to the respective Governments. The American delegates to the Conference are: The Honourable William C. Redfield, Secretary of Commerce; Mr. Edwin F. Sweet, Assistant Secretary of Commerce; Dr. Hugh M. Smith, Commissioner of Fisheries; with Mr. Maitland Dwight, Assistant Solicitor of the State Department, as secretary, and Mr. Edward T. Quigley, Assistant Solicitor of the Department of Commerce, as assistant secretary. The Canadian delegates are: The Honourable John Douglas Hazen, Chief Justice of New Brunswick; Mr. George J. Desbarats, C.M.G., C.E., Deputy Minister of the Naval Service; Mr. William A. Found, Superintendent of Fisheries; with myself as secretary.

The first meeting of the Conference took place at Washington, in the Department of Commerce building, on January 17, Mr. Secretary Redfield presiding. Mr. Redfield, in his opening remarks, expressed the opinion that the moment chosen for the Conference, when Canada and the United States were fighting side by side in the cause of civilization, was an opportune one. His basic thought was the supply of the largest amount of food to the largest number of people in both countries. Purely local interests, while they should be taken into consideration, must not be allowed to stand in the way of the interests of the general consuming public. Mr. Chief Justice Hazen concurred and stated that the Canadian delegates had not come merely to consider the interests of local fishermen, but to endeavour to remove causes of irritation between the United States and Canada.

These opening remarks give the keynote to the first and to all subsequent meetings which have been distinguished by a spirit of fairness, conciliation

and mutual goodwill and give every reason to hope that an agreement will be reached on all the questions under discussion.

The story of the fishery disputes between Canada and the United States is well known to you and to His Majesty's Government, but it may be well to summarise the position at the time the Conference met. By the Treaty of London of 1818 United States fishermen were given the right to fish, in common with British subjects, about the Magdalen Islands, and on the north shore of the Gulf of St. Lawrence eastwardly from Mont Joli.[1] They were also given the right to dry and cure their fish on the portion of the north shore specified. The Treaty, however, expressly stipulated that United States fishermen might enter other Canadian bays and harbours only for the purposes of obtaining wood, water and shelter, and of effecting repairs "but for no other purpose whatsoever." Disputes as to the exact interpretation of this Treaty soon arose, and though various efforts to arrive at an understanding have since been made, no final settlement has ever been reached. A fresh treaty was negotiated in 1888 at Washington, and was ratified by Great Britain, Canada and Newfoundland, but not by the Senate of the United States. Under the protocol attached to the Treaty, however, the British plenipotentiaries agreed that, as some time must elapse before ratifications could be completed, Canada and Newfoundland should issue special licenses to United States fishing vessels for a period not exceeding two years, at a fee of $1.50 per ton, for the purposes of purchasing bait, ice, seines, lines and all other supplies and outfits, transhipment of catch and shipping of crews. These licenses have been issued annually ever since by Order in Council, though there is no obligation on the part of Canada to do so, and are known as *modus vivendi* licenses. They are, however, only issued to sailing vessels, vessels driven by steam or auxiliary power not being considered by the Canadian Government as eligible for them. They are becoming of less value to American fishing interests in proportion as auxiliary power is being installed in their vessels.

On the other hand, it transpired in 1911, that Canadian fishing vessels entering United States ports with their catches, would not be given clearance for the fishing grounds direct, but only for a port in another country. Later a customs ruling was made in the United States which laid down that Canadian fishing vessels were not permitted to proceed direct to United States ports from the fishing grounds with their catches, but must ship them from Canadian ports by the regular commercial channels.

An unsatisfactory state of affairs also arose in connection with the lobster fishery off the coast of Nova Scotia. In order to protect this fishery, which is rapidly diminishing, Canada has instituted a close season in each year during which Canadian fishing vessels are not allowed to take lobsters. During this season United States well-smacks go over and fish just outside the three-mile

[1] The reference in the treaty is to "Mount Joly on the southern coast of Labrador".

limit and resort nightly to Canadian harbours for shelter. The masters and engineers of these smacks are United States citizens, but the crews are generally recruited from Canada, which causes additional ill feeling.

In 1914, the United States Government asked that, in view of the fact that their amended tariff admitted fish, other than canned or manufactured, free of duty, Canada and Newfoundland should extend the privileges granted by the *modus vivendi* licenses to all United States sailing vessels on the Atlantic coast, whether with or without auxiliary power, free of cost. Correspondence between Canada and Newfoundland took longer than was anticipated, and it was not until 1916 that the Canadian Government were able to reply, for themselves only, that they would grant the concession asked for by the United States Government on condition that Canadian vessels were permitted to proceed direct to United States ports and sell their catches there, being afterwards given clearance direct to the fishing grounds if so desired, and also on condition that the United States Government prohibited their fishing vessels from fishing for lobsters off the Canadian coasts during the close time instituted by the Canadian Government. It was also pointed out to the United States Government that the tariff concession admitting fish free of duty was liable to modification at any moment.

The United States were unable to accept the Canadian proposals, as the laws of the United States limit the privileges of the coastwise trade and the fisheries to United States vessels. The Canadian conditions would place Canadian and United States vessels on an equality in United States ports, while in Canada United States vessels would still be subject to license.

While this correspondence was in progress a serious position developed on the Pacific coast in connection with the halibut and salmon fisheries, but I propose to deal with this matter in a subsequent report, as the Conference has not yet considered the questions involved in any detail, and the delegates propose to proceed to Seattle, British Columbia and Alaska in April next with a view to taking evidence on the spot. As regards the salmon fisheries it has been decided that Dr. Smith and Mr. Found shall precede the Conference to Seattle and draft regulations for submission to the Conference for the purpose of controlling fisheries in and affecting the Fraser River and waters contiguous thereto.

The Canadian delegates brought with them and submitted the following proposals for the settlement of the whole controversy:

1. That the *modus vivendi* be extended to all fishing vessels, by whatever means they are propelled, that it be applied to the Pacific coast as well as to the Atlantic, and that the annual fee for the licenses be reduced from one dollar and fifty cents per registered ton to the nominal one of one dollar per vessel. Also, that the renewal of the licenses from year to year be not conditional on an Order in Council, but form part of the arrangement itself.

2. That United States fishing vessels on both coasts be allowed to sell their fish in Canadian ports for the Canadian markets, subject to customs duty, as well as to sell in bond.

3. That Canadian fishing vessels be allowed to purchase bait and all other supplies and outfits in United States ports and waters, on equal terms with American fishing vessels.

4. That Canadian fishing vessels be allowed to take their catches to United States ports and sell them there, subject to customs duties, if any.

5. That fishing vessels of either country visiting ports in the other, be given clearances for the fishing grounds if so desired.

6. That the United States prevent American lobster well-smacks from fishing off the Canadian coasts during the close seasons for lobster fishing on such coasts.

These proposals form the basis of the deliberations of the Conference. Mr. Secretary Redfield early showed his goodwill by ordering a bill to be drafted immediately which will meet the Canadian complaint in regard to the lobster fishery. It was also soon decided that, after the conclusion of preliminary discussions at Washington, the delegates should proceed to Boston, Gloucester and the Maritime provinces of Canada for the purpose of holding public hearings at which the local interests concerned should be given a full opportunity of expressing their views. This was accordingly done and, as the Conference has now adjourned to meet again at Seattle on April 24, it may be well that I should summarize the purport of the evidence so far obtained.

1. From the United States Commissioner of Navigation it was ascertained that the basic United States laws bearing on the question of granting clearances for the fishing grounds to foreign fishing vessels, and the entry of such vessels from the fishing grounds into United States ports, was contained in Section 4311 of the Revised Statutes, which runs as follows:

> Vessels of 20 tons and upwards, enrolled in pursuance of this title (R.S. 4311-4390), and having a license in force, or vessels of less than 20 tons which, although not enrolled, have a license in force, as required by this title, and no others, shall be deemed vessels of the United States entitled to the privileges of vessels employed in the coasting trade or fisheries.

An apparent discrepancy was, however, brought out in the actual practice on the Atlantic and Pacific coasts. On the former the law was strictly enforced. On the latter, though clearances for the high seas were not granted, vessels did actually proceed to the fishing grounds. This was probably due to the fact that vessels proceeding to the fishing grounds from Prince Rupert pass through American territorial waters, and are so compelled by an American law to report to the nearest American customs officer.

2. In Boston, Gloucester, and in Saint John, New Brunswick, where representatives of those actually engaged in fishing as well as of the fish distributors and manufacturers of fish products were heard, there was a most gratifying consensus of opinion that, although the proposals referred to above might to some extent injure local interests, they formed a fair basis for settlement and that, in view of the fact that Canada and the United States were now fighting side by side, such a settlement should be

made. There were only two or three dissentient voices in Boston and Gloucester among those engaged in fishing, none at all at Saint John. The fish distributors in both countries welcome the proposals as they should lead to a greater production of fish for them to handle, and the supply is not now adequate to meet the demand. Owing to propaganda by the United States and Canadian Governments, the demand for fish in both countries appears to be increasing very greatly indeed, and should the fish consumption in the United States ever reach even a half of the fish consumption in the United Kingdom, the fishing industry of both the United States and Canada, which is clearly almost in its infancy, should develop beyond anything that appears so far to have been contemplated.

3. Such American objections as there were appeared to be based on two grounds, the one having no substance in fact, the other possibly more serious. There was a widespread belief in Boston and Gloucester that the cost of building and equipping a Canadian fishing vessel was considerably less than that of building and equipping an American vessel, and also that the crews of Canadian vessels received less than the crews of American vessels. It was thought that, in the circumstances, the Americans would be at a great disadvantage with their Canadian competitors if the latter were allowed to use United States ports without restrictions. No evidence was produced to support this belief, and when the Conference proceeded to Saint John it was soon established that it was entirely erroneous. It appeared, on the contrary, that whatever might have been the case ten years ago, at the present time a Canadian vessel cost from $18,000 to $22,000, whereas an American vessel cost $16,000. Moreover, the former was built of pine and birch and only lasted about ten years, whereas the latter was built of oak and lasted twenty. Canadian vessels bought most of their equipment in the United States and had to pay the cost of transportation in addition. Canadian crews received about the same as American, and Canadian captains earned considerably more.

The second objection was that 90 per cent of the crews of American vessels were aliens, men from New Brunswick, Nova Scotia, Newfoundland, Portugal, and Scandinavia, a somewhat surprising fact. If Canadian vessels were allowed to come into American ports freely, Canadians would prefer to ship on their own vessels operating from their own ports. American vessel owners would not be able to offer them any advantages, and the result would be that a great part of the American fishing fleet would lie idle for want of crews. It seems, however, hardly probable that if the fishing industry expands as it is hoped and expected and the demand for crews increases in consequence, men will not be forthcoming to man the American fleet.

4. American fishing interests clearly did not like the idea of having to buy a license in Canada at all, even though the price was merely a nominal one. They objected to the principle, not to the cost, which even at the present rate of $1.50 a ton would not seriously affect them.

5. There was also some objection to the Canadian customs duty of one cent a pound in view of the fact that there was now no duty in the United States on fresh or frozen fish, but it was pointed out that customs duties were a matter of domestic legislation always liable to modification according to the views and necessities of the Government in power. No hope was held out that the Conference would or could deal with the matter.

6. On the lobster question it transpired that only three or four American well-smacks had actually indulged in the practice of fishing off the Canadian coasts during the close season, and that these did not find it remunerative. There was a unanimity of opinion, even among those who had done so, that the practice should be prohibited by legislation. There was also general agreement that the lobster fishery was rapidly diminishing, that both countries should forbid the catching of lobsters of less than 10½ inches. This would affect Canadian canneries which are canning lobsters of 4 and 5 inches, but the capital invested in them is small and, moreover, if they are allowed to continue their present practice they will, in a few years' time, have no lobsters to can.

7. Evidence was given in regard to the conservation of the pike perch fisheries in Lake Champlain. It appeared that while the United States were prohibiting net fishing and developing hatcheries, the fish were caught in nets on the Canadian side during their spawning time. The Canadian delegates agreed that this was similar to their complaint on the lobster question, and that Canada should take action to prohibit the taking of pike perch in nets.

8. Some little doubt as to the amount of bounty paid by the Canadian Government to Canadian fishing vessels and boats was set at rest by a clear statement of the Canadian delegates showing the origin of the bounty and its insignificance. It was of no help to Canadian fishermen and would probably be abolished.

At Washington the question of the protection of the whale industry was touched upon by the Conference, and resolutions were also adopted providing for the protection of halibut and sturgeon. These matters will be referred to again in later reports.

In conclusion, I would desire again to emphasize the harmonious nature of all proceedings of the Conference, the friendly and statesmanlike attitude towards all the questions involved which was adopted throughout by Mr. Secretary Redfield and Chief Justice Hazen, and the evident conviction not only of the Conference but of the fishing interests that the moment had come for a settlement of the disputes that have for so long been causes of irritation between Canada and the United States. The United States Commissioners seemed especially desirous of impressing upon the fishing interests that there was a great future before the fishing industry and that at this time, when there was a shortage of food throughout the world, everything must be done that could in any way increase the food supply.

ARNOLD ROBERTSON

628. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM Washington, February 28, 1918

SECRET. Following order has been sent to United States customs collectors by Secretary of State for Commerce:

To promote vigorous prosecution of war and to make utmost use jointly of all resources of the nations now co-operating you will permit during war Canadian fishing vessels and those of other nations now acting with the United States to enter from and clear for high seas and fishers disposing of their catch and taking on supplies of stores, etc., under supervision as in case of merchant vessels entering and clearing for foreign ports except as to tonnage tax and other charges specially imposed on entry from and clearance for foreign ports. [Ends.]

Secretary of Commerce suggests that it would be wise as an emergency measure to provide for use at a nominal rate of Canadian ports by American vessels however propelled and to make arrangements such as will permit mending nets and doing other regular work on board, provided it is not of such a character as to pollute waters.

I very much hope that in view of United States action Canadian Government will see their way to adopt suggestion of United States Secretary of Commerce as a war measure pending settlement of whole fisheries question in regard to which it is hoped a joint conference will submit recommendations.

Letter sent to Chief Justice Hazen by Secretary of Commerce in sense of first two paragraphs.

Sir Robert Borden has just seen this telegram and requests that no action be taken until he returns.

Would you inform me by telegraph of any action taken.

READING

629. *Governor General to Ambassador in United States*

DESPATCH 55

My Lord, Ottawa, March 13, 1918

I have the honour to transmit, herewith, for Your Excellency's information, copies of an approved Minute of the Privy Council for Canada[1] establishing certain regulations with regard to outstanding fishery questions between Canada and the United States.

I have etc.

DEVONSHIRE

[1] Not printed. The Order in Council, P.C. 560, is quoted in part in the enclosure to Document 630.

630. *Ambassador in United States to Governor General*

DESPATCH 127 Washington, April 3, 1918

My Lord Duke,

On the receipt of your despatch No. 57 of March 14th, I addressed a note to the Department of State informing them of the Minute of the Canadian Privy Council approved by Your Excellency on March 8th under the War Measures Act, providing for the entry of United States fishing vessels into Canadian ports.

I have the honour to forward to Your Excellency, herewith, a copy of the reply which I have received from the Department of State expressing the satisfaction with which the Government of the United States regards the prompt and far-reaching action of the Privy Council of Canada and especially the recommendation that fees already paid on licenses taken out by American vessels for the present year be remitted.

I have etc.

(for the Ambassador)
COLVILLE BARCLAY

[ENCLOSURE]

Secretary of State of United States to Ambassador in United States

No. 47 Washington, April 1, 1918

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's note No. 300 of March 19, 1918, in which you call attention to the recent order issued to Customs Collectors of the United States, and refer to the despatch received from His Excellency the Governor General of Canada, stating that a Minute of the Privy Council, approved by the Governor General on March 8th under the War Measures Act, provides as follows:

> During the war, United States fishing vessels, in addition to their treaty rights and privileges, shall be permitted to enter any port in Canada, without the requirement of a license, or the payment of fees not charged to Canadian fishing vessels, for any of the following purposes:
>
> (*a*) The purchase of bait, ice, nets, lines, coal, oil, provisions and all other supplies and outfits used by fishing vessels whether the same are of a like character to those named in this section or not;
>
> (*b*) Repairing fishing implements;
>
> (*c*) Dressing and salting their catches on board ship;
>
> (*d*) The shipping of crews;
>
> (*e*) The transhipment of their catches;
>
> (*f*) The sale thereof locally on payment of the duty.

You also state that the Canadian Minister of the Naval Service has further recommended that the fees paid on licenses already taken out for the present calendar year be remitted.

I desire to express to Your Excellency the satisfaction with which the Government of the United States regards the prompt and far-reaching action of the Privy Council of Canada, and especially the recommendation that fees already paid be remitted.

Accept etc.

ROBERT LANSING

PELAGIC SEALING IN THE NORTH PACIFIC

631. *Ambassador in United States to Governor General*

DESPATCH 14

My Lord, Washington, January 22, 1909

I have the honour to enclose herewith a copy of a letter I have just received from the Secretary of State of the United States relating to a suggested conference on the subject of pelagic sealing in the North Pacific Ocean.

In former despatches I have conveyed to you the suggestions or proposals bearing on this subject which the United States Government have several times made. On each occasion I have replied that so far as I knew the mind of Your Excellency's Ministers, I believed they would be disposed to view with favour the proposal for a conference, but that in their view any suggestion for the discontinuance of pelagic sealing ought to be accompanied by the offer to Canada of compensation, should she consent to forego for any space of time her right of taking seals at sea. The United States Government have offered, as you are aware, to give to Canada a share of all skins taken on the Pribilof Islands where their seals are captured. I have latterly told them that the Canadian Government hold some pecuniary compensation ought to be paid to Canada in consideration of a discontinuance (should that be arranged) of sealing by her British Columbian vessels for any period. The United States Government have continued to reply to this remark by saying that they could not pay any such compensation without exposing themselves to similar claims to compensation from Russia and Japan in respect of the sealing vessels belonging to those countries; and have latterly argued that the United States Congress would not and could not be expected to appropriate any money for the purposes of such compensation, considering that the seal herd has now been so much reduced in size as to be of practically no commercial value. The concession to a commercial company is now expiring and will not be renewed, so that they could not (so they inform me) require any company profiting by the taking of seals to make compensation out of what it might receive. Under these circumstances they adhere to their proposal to meet the demands of Canada by a share of the skins taken on land. I have suggested, without of course committing your Government in any way, that they might think of capitalizing what that share might be during a term of

years and offer to Canada such capitalized sum as compensation; but they do not seem to think that any plan of that kind could be carried out.

The Governments of Russia and Japan have, it is understood, already been conferring with one another on this question of so reducing or suspending seal-taking as to save what remains of the herd; and I gather that it is the fact that the herd will really disappear within a few years if pelagic sealing continues to be carried on.

I have etc.

JAMES BRYCE

[ENCLOSURE]

Secretary of State of United States to Ambassador in United States

Serial No. 500. Washington, January 21, 1909

Excellency,

I desire to bring to your attention the question of the protection and preservation of the fur seal herds frequenting the waters of the North Pacific Ocean, including the Seas of Behring, Okhotsk and Kamchatka.

It appears from the official reports of observations made under the authority of this Government, that as recently as the year 1891 the seal herd, having its breeding ground on the Pribilof Islands in Behring Sea, numbered upwards of one million seals, and that since then it has steadily decreased in size until at the present time its total number is estimated to be less than one hundred and fifty thousand. A proportionate decrease is understood to have taken place in the size of the Japanese and Russian seal herds frequenting Robben Island and the Commander Islands.

The ineffectiveness of the protective regulations and conditions imposed under the Award of the Fur Seal Arbitration Tribunal at Paris in 1893 upon pelagic sealing by American and British sealers is no doubt due in part to their lack of application to pelagic sealing carried on under the flags of other nations; but it is also true that in their practical application they have proved to be not well devised for securing for the seals the protection which was intended. It is also evident from the rapidly diminishing size of the Japanese and Russian herds that the protection afforded to those herds by existing regulations is inadequate to prevent their destruction so far as their value for commercial purposes is concerned.

As a result of scientific investigation and study of the subject for a number of years this Government is strongly of the opinion that any permanent solution of this difficult question should include an international agreement absolutely prohibiting pelagic sealing; but whatever may be the degree and kind of protection essential for the preservation of the seals, it would seem to be no longer open to question that if the present methods of seal hunting are persisted in for a few years longer, the fur seals will be practically exterminated.

Inasmuch, therefore, as the Governments of Great Britain, Japan, Russia and the United States are those chiefly concerned in the sealing industry and chiefly interested in the protection of the seals, and as their concurrence is essential to the successful establishment and enforcement of protective regulations, I have the honour to propose to your Government and I am proposing at the same time to the Governments of Japan and Russia, that they join with the Government of the United States in arranging either for a conference or a joint commission to consider and endeavour to agree upon some course of action for the protection and preservation of the seals.

The Government of the United States has been made aware by information kindly communicated by representatives of the different powers to whom this proposal is made of their interest in the subject and of their desire for a solution of the problem of the preservation of seal life, and this note is regarded by the Government of the United States more as a suggestion with a view of giving form to the purposes which are understood to be held in common by the different powers, than as an original opening of a new subject.

I have etc.

ELIHU ROOT

632. *Colonial Secretary to Governor General*

DESPATCH 78

My Lord, Downing Street, February 6, 1909

With reference to my despatch No. 742 of the 9th of December last, I have the honour to transmit to Your Excellency, for the consideration of your Ministers, copy of a letter from the Foreign Office on the subject of the preservation of the seal fisheries in the Behring Sea.

2. I shall be glad to be favoured with an intimation of the views of your Government on this subject at an early date.

I have etc.

CREWE

[ENCLOSURE]

Assistant Under-Secretary of State for Foreign Affairs to Under-Secretary of State for Colonies

Sir, Foreign Office, January 28, 1909

With reference to the letter from your Department of the 9th ultimo, I am directed by Secretary Sir E. Grey, to transmit to you herewith for the information of the Secretary of State for the Colonies copy of a despatch from His Majesty's Ambassador at St. Petersburg, enclosing correspondence with the Russian Foreign Office relative to the conclusion of a convention to

which Great Britain, Russia, the United States and Japan should be parties with a view to the preservation of the seal fisheries in the North Pacific.

Monsieur Tcharykow, who has now made formal proposals on the subject, indicates the points on which he considers amendments of existing arrangements desirable and suggests that His Majesty's Government should as a preliminary adhere to the Russo-American Agreement concluded at Washington in 1897. This, as you will doubtless recollect, provided for a total prohibition of sealing in the North Pacific Ocean, but its provisions have remained ineffective in the absence of the adhesion of this country.

The Russian Government are in the meantime ready to instruct their representative at Tokio to keep His Majesty's Ambassador at that capital informed of the progress of the negotiations with the Japanese Government with a view to the adhesion of His Majesty's Government at a later period to any agreement which may be reached with Japan should it be found satisfactory.

Sir E. Grey would be glad to be favoured with Lord Crewe's observations on these proposals, on which His Lordship will no doubt desire to consult the Canadian Government.

I am etc.

LOUIS MALLET

[SUB-ENCLOSURE 1]

Ambassador in Russia to Foreign Secretary

DESPATCH 1063

Sir, St. Petersburg, January 4, 1909

I have the honour to transmit copy of a letter with its enclosure which I have received from Monsieur Tcharykow relative to the measures which might be taken for the preservation of the seal fisheries, and stating the views of the Russian Government as to the convention which might be concluded between the Governments of Great Britain, Russia, the United States and Japan.

I also beg leave to transmit copy of a letter which I wrote to Monsieur Tcharykow on the 28th ultimo, and to which he refers in his communication.

I have etc.

A. NICOLSON

[SUB-ENCLOSURE 2]

Ambassador in Russia to Assistant Minister for Foreign Affairs of Russia

Dear Monsieur Tcharykow, St. Petersburg, December 15/28, 1908

You may remember that in October last we spoke as to the protection of the seal fisheries, and you were then good enough to informally express the hope that it would be found possible to hold a conference for the purpose of laying down such provisions as recent experience has shown to be necessary for the preservation of an industry which, if matters are left as they are,

will probably shortly cease to exist. I am now in a position to tell you that His Majesty's Government would consider with pleasure any proposals which the Russian Government may be disposed to make with a view of arranging a more general agreement on the subject of sealing.

If you would like to see me on the subject I would be happy to call on you any day and at any time which may be most convenient to you.

Yours etc.

A. NICOLSON

[SUB-ENCLOSURE 3]

Assistant Minister for Foreign Affairs of Russia to Ambassador in Russia

Saint-Pétersbourg, le 22 décembre 1908
4 janvier 1909

Mon cher Ambassadeur,

En réponse à la lettre de Votre Excellence en date du 15/28 décembre courant, je m'empresse de constater que le Gouvernement Impérial a toujours pris à cœur la tâche qui lui incombait, comme à l'un des possesseurs de phoques à fourrure (otaries), de veiller à la préservation de cette espèce précieuse. Il est par conséquent tout disposé aujourd'hui, comme par le passé, à s'entendre avec les Puissances intéressées, dans le but d'élaborer des mesures internationales efficaces pour empêcher la destruction définitive de l'industrie en question.

Les négociations à ce sujet ayant abouti à la signature à Washington de la convention du 24 octobre (6 novembre) 1897, dont je joins ci-après copie, ce sont les décisions de cette Conférence qui devraient, à notre avis, servir aujourd'hui de point de départ aux pourparlers ultérieurs.

Votre Excellence n'ignore certes pas que les stipulations arrêtées et signées à la Conférence de Washington par la Russie, les États-Unis et le Japon, restent sans exécution en attendant que la dite convention obtienne l'approbation de l'Angleterre. Il paraîtrait donc désirable et pratique que le Gouvernement de Sa Majesté britannique, étant actuellement animé du désir de coopérer à la préservation de l'industrie des phoques à fourrure, signe la convention de Washington précitée, afin que les mesures arrêtées par celle-ci puissent immédiatement entrer en vigueur et sauvegarder, pendant au moins la saison de chasse qui va s'ouvrir, et sans préjuger des résultats des négociations qui vont avoir lieu, les intérêts de l'industrie en question.

Les amendements qu'il serait désirable d'introduire dans le texte de la convention de Washington, lors des prochaines négociations, devraient surtout porter sur les deux points suivants:

1. Le terme de la convention à signer par la Russie, la Grande-Bretagne, le Japon et les États-Unis devrait être étendu à une durée d'au moins cinq ans, avec réconduction tacite de ce terme si la convention n'était pas dénoncée par un des signataires;

2. Il serait utile d'ajouter à la convention une clause précisant les droits et devoirs des croiseurs des Puissances signataires, qui auraient surpris un

navire se livrant à la chasse illicite des phoques à fourrure. Une stipulation dans ce sens est contenue dans l'article 2 de notre accord, à ce sujet, avec la Grande-Bretagne, de 1893.

Je n'ai pas besoin d'ajouter qu'il est désirable, en outre, que la convention contienne un article admettant l'adhésion à cette entente de toutes les autres Puissances qui voudraient s'y joindre.

Le Gouvernement du Japon a fait savoir au Gouvernement Impérial qu'il n'a pas d'objection à entrer avec lui dans les négociations que celui-ci lui avait proposées concernant la conclusion d'une convention pour la sauvegarde de l'industrie des otaries dans le nord du Pacifique et la Mer de Behring. Ces négociations vont prochainement s'ouvrir à Tokio, et nous serions prêts à donner l'ordre à l'Ambassadeur de Russie au Japon de tenir ses collègues de Grande-Bretagne et des États-Unis au courant de la marche de ses pourparlers. Ainsi, aussitôt que les termes d'une convention, acceptable pour les représentants à Tokio, de la Russie, de la Grande-Bretagne, et des États-Unis, ainsi que pour le Gouvernement japonais, auraient été élaborés, une convention pourrait être signée simultanément à Tokio, avec le Ministre des Affaires Étrangères du Japon par les représentants des Puissances intéressées et qui ne serait autre que la convention de Washington précitée développée dans le sens indiqué plus haut. D'après les renseignements officiels que nous possédons, le Gouvernement des États-Unis est, de son côté, très désireux d'aboutir à la conclusion d'une entente avec la Russie, la Grande-Bretagne et le Japon sur la meilleure manière d'empêcher la destruction des otaries.

En portant ce qui précède à votre connaissance, je vous serai très obligé de vouloir bien informer le Ministère Impérial des Affaires Étrangères, si votre Gouvernement est disposé à donner à son Ambassadeur à Tokio des instructions dans le sens esquissé plus haut. En attendant, nous aimons à espérer que, vu le contenu de votre lettre du 15/28 décembre a.c., le Gouvernement britannique trouvera possible de signer la convention de Washington, ce qui assurerait une force légale à ses stipulations pendant au moins l'année 1909.

Veuillez etc.

TCHARYKOW

[SUB-ENCLOSURE 4]

Agreement for the Preservation of Fur Seals

The representatives of Russia, the United States and Japan assembled in conference to consider the best means of preserving the fur seals and sea otter in the North Pacific Ocean and Behring Sea, having determined that under existing regulations these animals are threatened with extinction, and that an international Agreement of all the interested Powers is necessary for their adequate protection, the Governments of Russia, the United States and Japan have resolved to conclude a Convention with a view to bringing

about such an international Agreement, an have appointed as their repective Plenipotentiaries to wit:

His Majesty the Emperor of all the Russias—Grégoire de Wolland, Chargé d'Affaires and Councillor of State, and Pierre Botkine, Gentleman in Waiting of His Court and Councillor of Court;

The President of the United States—John W. Foster, Charles S. Hamlin and David Starr Jordan;

His Majesty the Emperor of Japan—Shongoi Shiro Fujita, of the Fourth Order of the Rising Sun, Director of Agricultural Bureau in the Department of Agriculture and Commerce, and Jugoi, Kakichi Mitsukuri, Rigakuhakushi, of the Sixth Order of the Sacred Treasure, Professor of the College of Science in the Imperial University of Tokio.

Who, after having communicated to each other their respective full powers, found in good and due form, have agreed upon and concluded the following Articles:

ARTICLE I

The High Contracting Parties agree to prohibit their respective subjects and citizens from killing the fur seal and sea otter in all waters of the North Pacific Ocean, including the Seas of Behring, Okhotsk and Kamtchatka, outside of territorial limits, for the period of one year from the date of this Convention, and they will use their best efforts to make this prohibition effective against their respective subjects and citizens.

ARTICLE II

The present Convention shall take effect as soon as the adhesion of the Government of Great Britain shall be given thereto.

The Convention shall be ratified by the respective Governments and the several ratifications thereof shall be exchanged on a day hereafter to be agreed upon as soon as possible at the city of Washington.

In witness whereof the respective Plenipotentiaries have hereunto affixed their signatures and seals.

Done in triplicate in the English language at the city of Washington, this sixth day of November, in the year 1897.

633. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, March 29, 1909

In answer to your telegram March 27[1] my Ministers adhere to position that they are ready to enter into agreement for suspension of pelagic sealing on condition that compensation will be given to Canadian sealers by United States, who are owners of Pribilof and other islands known as seal rookeries.

GREY

[1] Not printed. This telegram requested an early reply to a despatch of February 6, 1909, in which the Colonial Secretary asked for Canadian views on a Russian proposal for a British-United States-Japanese-Russian convention to control pelagic sealing in the North Pacific Ocean.

634. *Ambassador in United States to Governor General*

DESPATCH 64 Washington, May 5, 1909

My Lord,

On my return to Washington I asked the Secretary of State whether he was now prepared to make any further proposals to the Dominion Government in regard to the conditions under which their co-operation might be secured in the suppression of pelagic sealing as a preliminary to the international conference between the Pacific Powers which the United States Government desired to convoke and in which they had invited His Majesty's Government in respect of Canada to participate. Mr. Knox asked me to see Mr. Chandler Anderson who called to see me and with whom I went fully into the matter.

After the existing situation had been passed in review it was pointed out to Mr. Anderson that the present offer by the United States of 20 per cent of the catch not having so far commended itself to the Dominion Government no progress could be made unless the United States Government should improve that offer or make some other. Compensation of the sealing fleet had been repeatedly suggested and the United States Government might with advantage again consider that proposal. Mr. Anderson said the sealing interest was now of little value and any compensation could be but small. The principle, however, could not be admitted owing to the precedent it would create in regard to the Russian and Japanese pelagic sealers and also because Congress would not be likely to make any appropriation for the purpose. It was pointed out to him that Russia and Japan owning islands were in a different position from Canada whose only interest was pelagic; and further that in 1899 and again by Mr. Hay on July 27, 1903 (although in that case no doubt pecuniary compensation offered would have included certain claims in respect of Canadian vessels which it is now intended to provide for under the Pecuniary Claims Convention) compensation had been offered by the United States as well as a percentage on the land catch. Mr. Anderson replied that this compensation would have been paid by the concessionaires and would not have come before Congress as, in view of the expiry of the concession, it would now have to. Further he remarked that the percentage of the catch had not been specified previously and would have been nothing like so high as 20 per cent, which he maintained was a most liberal offer.

It was then suggested to him as it had been suggested to Mr. Bacon[1] that the United States might propose to convert this offer from terms of seal skins into terms of cash or otherwise in order to see whether that would be more acceptable to the Dominion Government. The idea was discussed as to whether the share in the catch could be capitalized as a lump sum, but it appeared that the United States rather desired to associate Canada with them in a joint interest in the future of the herd in order that a cordial co-operation in measures for its preservation might be secured. A further sug-

[1] Robert Bacon, Assistant Secretary of State of United States, 1905-1909; Secretary of State, 1909.

gestion thrown out on our part was that one of the Pribilof Islands on which there is a rookery should be leased by the United States to Canada. After the reference to the State Department, Mr. Anderson has since informed me that this is not feasible.

It was pointed out that an important objection to the proposal of the United States lies in the fact that Canada under it would have no adequate security and would in fact be in the position of a partner without a voice in the conduct of business. Supposing the share offered to be sufficient to induce Canada to compensate her sealing fleet herself, there was not security enough in it to allow her to raise the compensation sum on it. The United States Government might for instance decide to stop killing altogether for ten years; so some minimum sum at least would have to be fixed. Mr. Anderson saw that the United States Government could not bind themselves to a minimum unconditionally, as the herd might for one reason or another become extinct while the liability to an annual subsidy to Canada remained, but he would try and work out a proposal by which if the 20 per cent share fell below a certain minimum value it should be replaced by an annual payment in proportion to the size of the herd.

To-day Mr. Anderson called again to see me and the whole matter was further discussed. I pointed out to him again the difficulty which would arise if it were found necessary to suspend sealing altogether for some years, because during that period Canada on the plan suggested by the United States Government would receive nothing. He admitted this, and said that having thought over the matter he believed that an arrangement such as the following would, if it were agreeable to Canada, be favourably considered by the United States Government. Canada should have 20 per cent of all skins taken on land, and never less than a certain fixed minimum number. If the fishing of seals on land were to be suspended for a term of years, then an annual payment in cash should be made to Canada during each of those years, the amount of which, together with the interest thereon, should after the taking of seals on land had been resumed, be repaid to the United States by being deducted from the value of the skins, above the prescribed minimum number aforesaid, falling to Canada under the 20 per cent share secured to her, taking such skins at their market value as fixed by the London auction. If the herd, which is now just under 200,000, were to fall below a certain prescribed number, say 100,000 or something between that and 150,000, then the United States should be at liberty to suspend killing without being liable to pay any percentage or sum in lieu thereof, until such time as the herd again reached the prescribed number, when the obligation to pay the 20 per cent, or cash payment, should again attach.

Incidentally Mr. Anderson pointed out that a share of the skins was of more value than an annual cash payment based on the number killed or the number of which the herd might from time to time consist, because the price of skins would rise as the killing, or as the number of the herd, diminished.

I may add that Mr. Anderson said that the reason why the United States Government was anxious to obtain a statement of the views of Canada as soon

as possible was this, that what remained of the herd was being rapidly depleted by the depredations of Japanese sealers who were able to take seals in any part of the sea outside the three-mile limit and whom there was no means of checking unless by such arrangements as it was sought to bring about by the proposed international conference.

I venture to express the hope that I may be favoured with an early statement of the views of your Excellency's Ministers upon these points.

I have etc.

JAMES BRYCE

635. *Ambassador in United States to Deputy Governor General*

DESPATCH 109

Sir, North East Harbour, September 13, 1909

I have the honour to inform you that, in the course of some private and informal discussions of the Behring Sea sealing question which I have had with one of the confidential advisers of the State Department, a method of securing compensation to British Columbia sealing vessels was considered which deserves to be brought to the knowledge of your Government. Whenever the State Department has pressed me on the subject of the proposed conference regarding seal protection, I have always replied that the Dominion Government were willing to enter the conference provided that compensation were secured to the British Columbia sealing vessels in respect of the suspension of pelagic sealing which the United States Government deem absolutely necessary in order to save the seals from extinction. As you are aware, the United States Government some time ago offered to give Canada a percentage of all skins taken on land; and subsequently when it was pointed out to them that if the land-taking were for a time suspended Canada might for a time receive nothing, they agreed that if the land-taking were suspended, a minimum payment in cash should be made annually to Canada so long as that suspension continued, the amount of that cash payment, plus interest, to be ultimately deducted (whenever sealing was resumed) from the value of the percentage of skins to which Canada might be entitled in excess of the prescribed minimum. This was subject to the proviso that if the herd which now numbers less than 200,000 should be reduced below 100,000 the cash payment should cease. It is not, however, as I understand, the intention of the United States Government absolutely to discontinue the taking of seals on land, because that would have the effect of making the industrial processes of preparing the sealskins disappear, since the persons now employed therein would betake themselves to other avocations and thus the industry would perish.

The method I have referred to for securing compensation is the following: If the Dominion Government were to accept the offer to accept a percentage of skins taken on land, or an annual cash payment in lieu of that percentage

for a certain time, the United States might pay down in advance a sum of money the amount of which might be subsequently deducted from the amount of the value of the skins to be given to Canada as her percentage. The value would be calculated at the current London prices, which rise with the scarcity of the skins. This sum, or a part of it, might be paid by the Dominion Government to the British Columbia sealers as compensation. The United States could not pay it as compensation, because they might then expose themselves to other claims, but as it would be in Canada's hands, she could so apply it; and she would then be secured against the possibility that if the United States Government were to stop land-taking altogether she would have received no sum until the taking was resumed. This would appear to be the only way in which compensation can be obtained, because the concession granted to a sealing company by the United States Government will run out next May, so that no money can be obtained from them and it does not seem to be intended to make a fresh concession, the herd having indeed so greatly diminished that killing must be much reduced if it is to survive. I gather that the United States Government think they will have to propose legislation on the subject next winter.

Although my recent conversations on this subject have been altogether informal and unofficial, I think it probable that such a settlement of the compensation difficulty as above suggested might be accepted by the United States Government, and I therefore venture to commend it to your consideration and that of your Ministers as a possible solution of a problem which it has become all the more desirable to deal with at an early date, because the need for a conference for the preservation of the seals is generally felt to be urgent.

I have etc.

JAMES BRYCE

636. *Colonial Secretary to Governor General*

DESPATCH 651
Downing Street, October 30, 1909

My Lord,

With reference to Sir C. Fitzpatrick's telegram of the 15th September, and previous correspondence relating to pelagic sealing, I have the honour to transmit to your Excellency to be laid before your Ministers, copy of a report dated 13th September by the Officer Commanding H.M.S. *Algerine* on the Behring Sea Seal Fishery Patrol, 1909.

I shall be glad if you will kindly inform me when the despatch promised in Sir C. Fitzpatrick's telegram may be expected.

I have etc.

CREWE

[ENCLOSURE]

Report of Behring Sea Seal Fishery Patrol

Sir, [At sea,] September 13, 1909

I have the honour to submit that after leaving Esquimalt on the 31st July, I reached Unalaska on the 11th August and secured to the Alaska Commercial Company's wharf at Iliuliuk harbour and took in coal preparatory to commencing the patrol.

2. I conferred with Captain Jacobs, commanding the United States Revenue Cruiser Fleet, which consisted this year of the *Bear, Perry, Rush* and *Manning,* and was in agreement with him as to the best means of carrying out the Behring Sea Award Act, 1894.

3. No vessel belonging to the United States Navy Department was sent to the Behring Sea this year.

4. I commenced patrolling on 14th August; proceeding along the eastern 60 mile limit and through the N. E. quadrant of the prohibited area, I called at St. Pauls Island, and returned to Dutch Harbour after cruising in the S.W. quadrant. The second patrol commenced on the 25th August and included the Western and Northern limits and the N.E. and S.E. quadrants, and terminated at Dutch Harbour on the 1st September. I took in sufficient coal for probable requirements and left to rejoin you on the 3rd September.

5. Three Canadian schooners, *Pescawha, Jessie,* and *Thomas F. Bayard,* were boarded on the 25th July by the United States revenue cruiser *Bear* south of the Alaskan Peninsula, the masters of these vessels stated that they were then bound for the Commander Islands and would return to the Behring Sea after the 1st August. I was informed that the arms carried by these schooners had been sealed up by the Commanding Officer of the *Bear* without the consent of the masters having been first obtained. I pointed out to the senior officer of the United States revenue fleet that His Majesty's Government had never consented to renew the agreement relative to the compulsory sealing up of firearms in vessels sailing under their flag, also that, as previously pointed out by them to the United States Government, the mere possession of arms is no infringement of the Paris Arbitration Award.

6. On the 17th August, during the absence of the *Algerine* the *Th. F. Bayard* arrived at Dutch Harbour and was again boarded by the United States authorities; with this exception no Canadian schooners have been met with in the Behring Sea this year by the United States ships nor by the *Algerine,* and it is believed that no others arrived, at all events until quite late in August.

7. Twenty-three Japanese schooners were boarded or spoken [to] by the revenue cruisers and this ship, and about 6,500 skins accounted for as having been taken by them. One Japanese schooner (*Toyei Maru*) was captured by the United States authorities for sealing in territorial waters.

8. The weather throughout was exceptionally bad, strong gales from all quarters following one another at very short intervals during which for the most part dense fogs prevailed.

It was necessary for this ship to heave to under storm canvas on one occasion for 39 hours, and I regret to say wreckage has been found on both St. Pauls and St. Georges Islands.

9. It is understood that the licensed Canadian schooners numbering 5, little more than half of the already depleted fleet of last year, intended to devote their energies largely to hunting the more valuable sea-otter; it is evident that Canadian interest in pelagic sealing is very rapidly waning.

10. A scientific investigation in the Pribilof Islands this year has formed the conclusion that the breeding herd of fur seals has now been reduced to one-third of the numbers that existed in 1896; it was also found that 13 per cent of the pups born this year were dead or dying of starvation owing to the death of their mothers, and this percentage will of course have largely increased and will probably have doubled by the end of the pelagic season; during my short stay at St. Pauls Island I saw numbers of pups on the rookeries in every stage of dying by starvation.

11. The North American Commercial Company who hold the lease of the Pribilof Islands have this year for the first time failed to secure the 15,000 bachelor seals that the United States Government permit them to kill.

12. The alarming depletion in the fur seal herd can only be due to pelagic sealing, for I believe there have been no indications of any devastating disease having existed in the herd, and the scientific method of obtaining skins in the Islands by slaughtering bachelor seals only and those between restricted age limits can have no appreciable effect as is proved by the fact that there has never been any dearth of bull seals to meet the requirements of the harems, in fact, if anything, the reverse.

13. Setting aside the cruelty of killing of females before the weaning of their young, there is surely a necessity for making every effort at the next conference to preserve and if possible increase this herd to its normal size owing to the great profit and large employment of labour derived from preparing the skins in London (from where the retailers still insist upon obtaining the finished article), and I feel confident that no possible disadvantage can arise from an agreement by all nations, if such can be obtained, to prohibit pelagic sealing being carried on under their flags.

14. If total prohibition of pelagic sealing cannot be agreed to I would submit that an endeavour should be made to prevent it inside an extended area of 250 miles (instead of 60 miles) from the Pribilofs, and possibly the same arrangement would be found agreeable in the case of the Copper and Komandorski Islands; this amended distance is suggested because it is believed that cow seals after leaving their pups on the breeding grounds go at least 200 miles to obtain food, and consequently no less distance would give them immunity from capture with the resulting starvation of their pups.

15. A second suggestion which may be worthy of consideration is that pelagic sealing in the Eastern part of the North Pacific should be confined to

an area south of the 55th parallel and east of the 150th meridian, and that fire-arms should be allowed; this would give pelagic sealers an opportunity of taking seals as they go north along the shores of British Columbia in the early summer, and although a considerable number of females heavy with young would fall victims, it would not be nearly so devastating nor so cruel as hunting them in their feeding grounds. Canadian sealers would also be nearer their market, and would be exempt from the risk of the autumn weather in the Behring Sea. Probably an arrangement in the Western Pacific similar to this would be feasible.

16. In conclusion, I submit that, in the present year, it is more forcibly brought to mind than ever before how rapidly the seal herd is being reduced; and it is I think equally evident that female seals with young should be protected as every other female animal, not dangerous to man, is protected before weaning her young, in every civilized country whose inhabitants have any consideration for animal life and animal suffering.

I have etc.

E. H. EDWARDS

637. *Colonial Secretary to Governor General*

DESPATCH 680

Downing Street, November 16, 1909

My Lord,

With reference to my despatch No. 651, of the 30th October, I have the honour to transmit to Your Excellency, for the consideration of your Ministers, the accompanying copy of a letter from the Foreign Office, commenting on the present methods of pelagic sealing as indicated in the report of the Commander of His Majesty's ship *Algerine* on the Behring Sea Seal Fishery Patrol, 1909.

The letter of the 16th of September from the Colonial Office referred to in the letter from the Foreign Office, forwarded a copy of Sir C. Fitzpatrick's telegram of the 15th of September.

I have etc.

CREWE

[ENCLOSURE]

Assistant Under-Secretary of State for Foreign Affairs to Under-Secretary of State for Colonies

Foreign Office, November 9, 1909

Sir,

I am directed by Secretary Sir E. Grey to state that he has received from the Lords Commissioners of the Admiralty a copy of the report of the Commander of His Majesty's ship *Algerine* on the Behring Sea Seal Fishery Patrol, 1909. The Secretary of the Admiralty states that a copy of this report has also been sent to your Department.

The report shows clearly the continued diminution of the seal herd and the extreme cruelty of the present system of pelagic sealing, resulting as it does in the death by starvation of large numbers of immature seals. It also shows that the Canadian interest in the fishery is steadily waning and that there is increasing reason to fear that a profitable industry is in no remote danger of extinction.

You are aware that the Russian and United States Governments are keenly alive to these considerations and that they have both proposed to His Majesty's Government that an international conference should be held with a view to the restriction of pelagic sealing. To these proposals His Majesty's Government have hitherto been unable to return any definite reply owing to the failure of the Canadian Government to come to a decision on the subject.

From your letter of the 16th of September last, Sir E. Grey was led to hope that the matter would by this time have been adequately dealt with and he trusts that the Secretary of State for the Colonies will see his way to pressing upon the notice of the Canadian Government the serious state of things revealed by this report and urging that Government to return a favourable reply to the suggestion for an international conference of the powers interested.

I am etc.

LOUIS MALLET

638. *Ambassador in United States to Governor General*

DESPATCH 130

My Lord, Washington, December 3, 1909

I have the honour to acknowledge the receipt of your telegram of December the 2nd on the subject of the proposed conference on pelagic sealing in Behring's Sea, and I understand it to mean that it is the wish of your Ministers that I should now inform the United States Government that Canada is now prepared to go into the conference forthwith and will there join in a discussion on the whole question of pelagic sealing.

I understand also that it is the further wish of your Ministry that I should at the same time warn the United States Government that although the immediate settlement of the demand which Canada has continuously made for compensation is not treated by them as a pre-condition to the joining by Canada in the conference, that Government must understand that Canada will not consent to any proposal that may be made in the conference for the suspension of pelagic sealing unless arrangements satisfactory to her are made for the compensation aforesaid. Such arrangements would, of course, be a matter for Canada and the United States only and would not come before the conference, as they do not concern Russia and Japan.

I do not know whether I am to assume from your telegram that your Ministers think it better that in the meantime nothing should be done in the way of endeavouring to discuss with the United States Government a scheme for securing compensation upon the lines indicated in my despatch of

September 13th, No. 39 [109]. It was unofficially and privately indicated to me from the side of the United States Government that progress might be made upon those lines, but I am not yet in possession of the views of your Ministers upon the subject.

I have etc.

JAMES BRYCE

639. *Governor General to Colonial Secretary*

DESPATCH 553

Ottawa, December 15, 1909

My Lord,

With reference to Your Lordship's despatch, No. 680, dated the 9th December, 1909, covering copy of a letter from the Foreign Office commenting on the report of the Commander of His Majesty's ship *Algerine,* on the Behring Sea Seal Fishery Patrol, 1909, and expressing the desire on the part of the Secretary of State for Foreign Affairs that the Canadian Government would return a favourable reply to the suggestion for an international conference of the Powers interested, to discuss the question of pelagic sealing, I have the honour to transmit, herewith, for Your Lordship's information, copy of an approved Minute of the Privy Council for Canada,[1] stating that my responsible advisers are quite ready to take part in a conference to be called at once, for the purpose of discussing the whole question, but at the same time desire that it be distinctly understood that they cannot agree to any proposal for the suspension of pelagic sealing unless the question of compensation can be arranged satisfactorily. They further reserve to themselves full liberty of action in regard to any of the conclusions that may be reached by the Conference.

His Majesty's Ambassador at Washington is being advised in the sense of this Minute.

I have etc.

GREY

640. *Governor General to Ambassador in United States*

DESPATCH 137

Ottawa, December 28, 1909

Sir,

With reference to Your Excellency's despatches No. 64 of the 5th May, 1909, and No. 109 of the 13th September on the subject of pelagic sealing, I have the honour to forward herewith for Your Excellency's consideration copies of an approved Minute of the Privy Council for Canada.

Your Excellency will observe that with reference to the method, suggested in your despatch No. 109, by which compensation might be provided for the British Columbia sealing fleet in the event of an agreement being reached for the suspension of pelagic sealing, my responsible advisers feel that as they are without information which would enable them to determine whether

[1] Not printed.

the proposed scheme would provide adequate compensation, it is advisable for them to obtain more definite information on certain points before considering the whole question.

I shall be obliged therefore if Your Excellency will have the goodness to give me the information required on the points specified, for the use of my responsible advisers.

I have etc.

GREY

[ENCLOSURE]

Order in Council

P.C. 2522 December 23, 1909

The Committee of the Privy Council have had under consideration a report, dated 15th December, 1909, from the Secretary of State for External Affairs, stating that there have been referred to him two despatches, dated respectively, 5th May and 13th September, 1909, from His Majesty's Ambassador at Washington, on the subject of pelagic sealing, in the latter of which Mr. Bryce invites consideration of a method which has been informally discussed by him with one of the confidential advisers of the State Department by which compensation might be provided for the British Columbia sealing fleet if the offer of the United States Government should be accepted.

That offer is that in the event of an agreement being reached for the suspension of pelagic sealing, the United States Government would give Canada 20 per cent of all seal skins taken on land, and never less than a fixed minimum number; and in case land-taking were suspended, would assure her a minimum payment in cash annually during the continuance of the suspension of land-taking, the amount of that cash payment, plus interest, to be ultimately deducted from the value of the percentage of skins to which Canada might be entitled in excess of the prescribed minimum. To obviate any difficulties which might arise from the percentage offered by the United States being regarded as a direct compensation to the endamaged sealing interests, it is suggested in Mr. Bryce's later despatch that a lump sum might be paid down in advance by the United States Government to the Canadian Government, out of which compensation could be paid to the British Columbia sealers, such advance being repaid by instalments from the amounts accruing yearly to Canada as the value of her percentage of the skins taken on land.

In approaching the consideration of this proposal, Your Excellency's advisers labour under the disadvantage of being without information which would enable them to form any trustworthy estimate of what the annual value of the percentage offered by the United States Government would amount to; and further, they have received from that Government no indication of what would be the minimum payment to be fixed under their proposal, nor of the amount of the lump sum which it is suggested might be paid over.

Your Excellency's advisers submit that in the absence of this essential knowledge they are unable to determine whether the proposed scheme would

provide an adequate compensation and before further considering the matter they recommend that Your Excellency may be pleased to request His Majesty's Ambassador at Washington to obtain from the United States Government more definite information upon the points mentioned above.

All which is respectfully submitted for approval.

641. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM Washington, January 12, 1910

SECRET. Pelagic Sealing. Will Canada accept payment down of two hundred thousand dollars on account of share of seal skins in order that out of it compensation may be paid to sealers? Compensation scheme outlined in my despatch of 13th September. can, I believe, be arranged on that basis.

United States Government would try to get authority from Congress to pay that sum, but they fear that as sealing vessels are now so few they could not get more.

BRYCE

642. *Governor General to Ambassador in United States*

TELEGRAM Ottawa, March 1, 1910

Referring to your telegram of the 12th January last, my Ministers are disposed to accept payment down of two hundred thousand dollars on account of share of sealskins to which Canada would be entitled under scheme outlined in your despatches of fifth May and thirteenth September last, but before coming to a definite conclusion in regard to the arrangement as a whole, they desire to be placed in possession of that fuller information asked for in my despatch of the twenty-eighth December.

GREY

643. *Ambassador in United States to Governor General*

DESPATCH 54
My Lord, Washington, March 26, 1910

With reference to your telegram of the 1st instant and to the informal negotiations which have been proceeding in regard to an agreement with the Government of the United States for a suspension of pelagic sealing as a preliminary to our entering an international conference with a view to securing the preservation of the fur seals and the industry of preparing their skins, I have the honour to transmit herewith copies of a semi-official note addressed [by me to] the Secretary of State on the subject and of his reply inclosing copy of the proposed draft agreement.[1]

In view of the desirability of reaching a settlement of this matter before the departure for the Hague Arbitration of those who have borne a leading

[1] Not printed.

part on the United States side in the conduct of the negotiations on this subject, I have the honour to recommend this draft to the early consideration of the Dominion Government.

In the course of the informal discussions which I have had with the State Department, I suggested that it might be convenient if a clause were inserted providing a means for the prompt settlement of any difference which might arise between the Dominion Government and that of the United States in connection with the keeping and verification of the accounts relating to Canada's share of the seals. No objection was raised to this suggestion, and if it should commend itself to your Ministers, I shall be glad to know what form they would think well to give it. Precedents may be found in the Treaty for the Delimitation of the International Boundary between Canada and the United States of 1908 and in the (draft) Boundary Waters Treaty which is now under the consideration of the Dominion Government.

I may add that Ex-Secretary (now Senator) Root, who continues to take a warm interest in this proposed treaty and conference, told me that he would urge that all the other States whose territories are washed by the Pacific Ocean should be invited to join in the Conference and adhere to such provisions as it might prescribe, so soon as Canada, Russia, Japan and the United States have agreed upon those provisions. It is understood that both Russia and Japan are desirous of entering the Conference as soon as possible. It will be observed that Article VIII of the proposed treaty contemplates efforts to secure the adhesion of other powers.

With reference to my despatch No. 49 of March 22, I have to report that the bill therein referred to empowering the United States Government to lease the fur seal industry has passed the Senate and is expected shortly to pass the House of Representatives. A copy of the *Congressional Record* reporting the debate in the Senate is inclosed herewith.

The present number of the seal herd is estimated at a little over 150,000 and there seems to be no doubt that it has been very rapidly decreasing.

I have etc.

JAMES BRYCE

[ENCLOSURE 1]

Ambassador in United States to Secretary of State of United States

Dear Mr. Knox, Washington, March 4, 1910

Since the receipt of a Note from the United States Government under date of the 21st of January, 1909, proposing that a Conference be agreed on by the Governments of the United States, Great Britain, Russia, and Japan, for the preservation of the fur seal herd, informal negotiations have, as you are aware, been proceeding with a view to bringing about an agreement between the United States Government and the Dominion Government which would enable the latter, consistently with the attitude it has all along main-

tained, during previous stages in the discussion of the matter, to enter this Conference, which is intended to consider the proposal for a suspension of pelagic sealing.

The question at issue, which has hitherto retarded the consent of Canada, otherwise quite willing, has been that of compensation for the sealing fleet required by the Dominion, but in agreeing to which difficulties had presented themselves on the side of the United States. Another difficulty arose in connection with the provisions which might need to be made for the case of a complete suspension of the land catch, which would under the draft convention proposed by Mr. Root in his letter of 18 April, 1906, have lain within the sole discretion of the United States and would have deprived Canada of any present benefit from the annual fifth share in the proceeds of seals taken on land which was offered to her.

These informal negotiations referred to have now reached a point at which their results may with advantage be put on record.

It has been informally agreed that the difficulty as to compensation might be solved as follows: The United States Government to advance Canada a sufficient sum to permit of full compensation of the sealing fleet; such sum to be repaid to the United States in instalments from the annual cash payments due to Canada as her fifth share of the land takings.

The difficulty as to a possible suspension of the land catch can, it is agreed, be met as follows: That a minimum annual payment by the United States to Canada be fixed, which will be maintained irrespective of the annual amount of the land catch or of its suspension, unless the herd should fall below a certain number. Should the annual amount of this cash payment prove in any year or years to exceed the value of the proceeds of the fifth share accruing to Canada during such year or years, that excess would be subsequently deducted with interest from the value aforesaid of Canada's fifth share whenever it becomes again in excess of the stipulated minimum so as to be repaid ultimately to the United States.

The informal acceptance by both parties of these proposals offers a fair prospect of a final and formal agreement on these lines and I have, therefore, to suggest that they might with advantage be worked out by your Department and definite proposals made as to the amounts of the payments in either case.

In this connection I would make the following observations with a view to facilitating an early agreement.

The rapid depletion of the fur seal herd is stated to be due to pelagic sealing, and especially the action of Japanese and Russian sealing, and if this is so its recuperation on a suspension of pelagic sealing will be correspondingly rapid. It will therefore be possible for the United States Government to fix the amounts of the preliminary cash advance and of the annual payments on a liberal basis. It will be recalled in this connection that the compensation which was tentatively agreed on during the sessions of the Joint High Commission was $500,000; and that the annual value of the fifth share to accrue to Canada will when the herd is again restored, amount also

to $500,000, as roughly estimated by Mr. Root in his letter of 18th April, 1906. Further, should it be thought necessary to maintain the provision that a decline of the herd below a certain number or value should affect the annual minimum cash payment, it is obviously equitable that this payment should vary proportionately with the rise and fall in that number or value once it had declined below the minimum number or value fixed.

It would also seem to be advantageous that a simple form for the settlement by arbitration of any question which may arise between the two Governments in carrying out this arrangement should be included, by which any question either of finance or of fact of secondary importance, from time to time presenting itself, might be amicably disposed of.

Finally the agreement should preferably be for a term of years.

I hope that the above proposals and recommendations may enable you to make definite proposals which will be acceptable to the Dominion Government. No one who has studied the facts and realizes the nature of the position could fail to welcome an agreement which would terminate a question so long outstanding and which would enable the two Governments to co-operate cordially in the maintenance of an important industry on humane and economic lines. Canada, I can assure you, is in hearty accord with the desire of your Government to secure the preservation of the seal herd.

I am etc.

JAMES BRYCE

[ENCLOSURE 2]

Secretary of State of United States to Ambassador in United States

Washington, March 25, 1910

Dear Mr. Bryce,

I am exceedingly gratified by the assurance in your note of the 4th instant, that the Government of the Dominion of Canada is in hearty accord with the desire of this Government to secure the preservation of the fur seal herd, and I sincerely hope that as a result of the negotiations now pending, a basis for the settlement of this long outstanding question may be found, which will enable both Governments to co-operate cordially in taking such measures as may be necessary to that end.

It is believed that the grounds of objection which these negotiations have disclosed on the part of the Canadian Government to the draft treaty proposed by this Government in 1906, will be obviated by the proposals which this Government is now prepared to make along the lines recently discussed for the modification of the previous draft. These proposals have now been formulated and are embodied in a new draft treaty, a copy of which I inclose herewith, as a basis for the further discussion of this subject, and as presenting in definite form the proposals which would be acceptable to this Government.

I am etc.

P. C. KNOX

644. *Governor General to Ambassador in United States*

PARAPHRASE OF TELEGRAM Ottawa, May 16, 1910

SECRET. Behring Sea Sealing Treaty. My Ministers cannot agree to treaty as drafted because it provides for a cessation and not for a suspension of sealing which was the basis on which we agreed to negotiate. This objection fatal and must be removed before we submit other objections of minor importance.

GREY

645. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM 13 Washington, May 16, 1910

SECRET. Your telegram of May 16th. Proposal for indefinite cessation of pelagic sealing was intended to be dependent on what might be settled at Conference for period of suspension or for cessation by all four Powers.

Should Canada wish to make reserves on this subject and to consent at present to suspend only, please let me know what length suspension Dominion would accept in present agreement, say ten years or more.

On hearing from you I will immediately communicate with the United States Government. Please send early reply.

BRYCE

646. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM 14 Washington, May 16, 1910

SECRET. Pelagic sealing. My immediately preceding telegram. Having sounded the United States Government, I find reasons to believe that they would agree to suspension of sealing for period of years instead of cessation and they may probably suggest that the agreement should provide for suspension of pelagic sealing for the period which may be fixed by the Conference. Canada by the effect of this would be left free to make effective in the Conference her view as to the period of suspension.

Pray, in view of urgency and there being probability of removing main objection felt by your Government, let me know minor objections to draft treaty as soon as possible.

BRYCE

647. *Governor General to Ambassador in United States*

TELEGRAM Ottawa, May 16, 1910

PRIVATE AND CONFIDENTIAL. Sir Wilfrid gone to Quebec. Have repeated your message of to-day. Hope to be able to send you official reply tomorrow. My impression is that Sir Wilfrid regards suspension for ten years as basis of negotiation and that if United States can meet him on this vital

point he anticipates they will have little difficulty in meeting following minor objections: 1. Inclusion of all rookeries. 2. Exclusion compensation claims. 3. Canada's rights to participate in increased value should skins exceed ten dollars.

GREY

648. *Ambassador in United States to Governor General*

PRIVATE
Washington, May 16, 1910

My dear Grey,

Your telegram of to-day correcting that of yesterday has just reached me and it explains the objection of your Government to the United States draft agreement regarding pelagic sealing. There is a difficulty in dealing with the United States Government because the man in charge of the subject, Mr. Anderson, is in New York and sails for Europe on Saturday, so unless we can settle something at once I much fear the matter will have to go over, which would be a misfortune, as the Conference ought to meet at once.

My understanding of the matter is that an indefinite, not necessarily perpetual, cessation of pelagic sealing was proposed in this draft agreement in order to leave the matter open for the Conference. This agreement is entirely contingent on the Conference's arriving at some conclusion regarding suspension or cessation, and Canada's dissent would prevent cessation from being determined on by the Conference. She could therefore prevent her signing this agreement from seeming to limit her action in the Conference by adding words to this draft agreement to that effect, viz., reserving her full freedom of objecting there to perpetual cessation. But the simplest way of meeting her wishes may be for her to substitute in this agreement a period of suspension for years, or to insert a provision leaving the whole matter to the Conference. I do not think the United States will make any great objection to this. We discussed a period of years at an earlier period of the negotiations.

Later—Since I began this letter I have thought it best to do what I can with the United States Government and have just had a conversation with the State Department which confirms my impression that the United States will agree to an alteration of the draft which will meet your objection. I have told them of it and though they ask me to wait till to-morrow for a definite answer —they probably wish to consult Anderson in New York—I think they will recognize the force of your objection and will suggest that the draft should be so altered as to make us and them agree to prohibit pelagic sealing for such period as the Conference may agree to, leaving the period to be fixed by the Conference. To leave it to the Conference is really to leave it in the power of Canada, for if she objects to an indefinite cessation, or to a period she deems too long, she can make her wishes prevail negatively, i.e., she can prevent the imposition of any period she objects to, of course at the risk of making the Conference abortive. As the lawyers say, "*Potior est conditio prohibentis.*" Canada therefore could safely accept the draft with this amend-

ment. The reason for putting something in the draft about suspension of sealing is that it is the consideration for the engagement of the United States to pay over one-fifth of the proceeds of the land sealing.

Assuming that the United States propose this amendment and that Canada accepts, or that in some similar way this difficulty is arranged, as I think it may be, it becomes important to have Canada's other minor objections, and I have therefore telegraphed to you asking you to let me have them as soon as possible. The reason for urgency is that Anderson goes to Europe on Saturday and there may be no one else here sufficiently familiar with the details to be able to settle them with me.

Always truly yours,

JAMES BRYCE

649. *Ambassador in United States to Governor General*

My dear Governor General, Washington, May 18, 1910

On the receipt of your telegram stating the objection entertained by your Ministers to the draft agreement regarding sealing in the Behring Sea, I addressed a letter to the Secretary of State stating that the Dominion Government could not accept the provision of the draft agreement which appeared to contemplate an indefinite cessation of pelagic sealing and not its suspension for a term of years, and suggesting that the agreement should be so altered as to provide for a suspension also of pelagic sealing for a fixed term of years. I added that the period of ten years had been suggested at an earlier stage of the negotiations, but that I had asked your Government for an expression of their views as to the length of the period.

I have now received from the United States Government a letter, copy of which I enclose, proposing that the suspension of pelagic sealing should last for the same period as the international agreement, which it is proposed that the contemplated Conference should conclude, plus one year for notice by either party to the other. As Canada will be a party to the settling of the duration of the international agreement, this would practically enable her to fix the term during which pelagic sealing should be suspended, or at any rate to prevent it from being fixed for any longer term than she desired, and thus the wishes of your Government would appear to be met.

If your Government see their way to consider this acceptance by the United States of their suggestion as sufficient, may I ask to be favoured at as early a moment as convenient with the minor objections which you have indicated as existing on the part of your Ministers in order that I may enter upon a discussion of these with the United States Government at the earliest possible moment.

I am etc.

JAMES BRYCE

[ENCLOSURE]

Secretary of State of United States to Ambassador in United States

Washington, May 17, 1910

My dear Mr. Ambassador,

I have received your note of this morning informing me that the Canadian Government cannot accept the provision of the draft agreement as to fur seals which in Article I contemplates an indefinite cessation of pelagic sealing, and suggesting alternatively a suspension for a term of years. In response I beg to suggest in place of a suspension for a definite term of years, the length of which it seems you are not yet prepared to indicate, the addition of the following paragraph at the end of Article VII of the draft agreement:

> And the foregoing Articles may be terminated upon the termination of such international agreement or at any time thereafter by twelve months' written notice given by either the United States or Great Britain to the other.

The effect of this addition would be to make the suspension of pelagic sealing substantially co-terminous with the proposed international agreement which would seem to place the matter on the proper basis from the point of view of the important object which is sought as well as of all the interests involved.

Awaiting your reply to this alternative suggestion and your advices as to the other points of less importance in which the Dominion Government conceives that the draft requires amendment,

I remain etc.

P. C. KNOX

650. *Prime Minister to Governor General*

CONFIDENTIAL

Ottawa, May 24, 1910

My dear Lord Grey,

In accordance with my promise to Your Excellency, during our conversation of this day, I write to put in concrete form my chief objection to the draft of the treaty respecting pelagic sealing.

I told Mr. Bryce both verbally and in writing that public opinion in this country would view with something akin to indignation anything amounting to a surrender of the right of British subjects to hunt seals on the High Seas. This opinion is so strong that it cannot be ignored. I also told Mr. Bryce that whilst therefore we could not agree to renounce such a right, we could agree to a suspension for a term of years of its exercise. Yet the treaty proposes a total cessation of pelagic sealing.

This makes the treaty unacceptable. It must be recast and provide simply for a cessation during a fixed period—say of ten years—of all sealing on the High Seas. The treaty defines the waters in which the prohibition shall be operative. To this definition there is no exception taken by us. There

are some objections, however, to some minor points. There is no occasion to take them up now; they can be reserved for adjudication later, if we arrive at a satisfactory conclusion on the main point.

Yours etc.

WILFRID LAURIER

651. *Governor General to Ambassador in United States*

PARAPHRASE OF TELEGRAM Ottawa, May 25, 1910

Pelagic sealing. Suggested amendment to draft agreement does not satisfy Prime Minister. Am forwarding his confidential letter explaining position in which he says treaty must be recast and provide simply for a cessation during a fixed period say of ten years. GREY

652. *Ambassador in United States to Governor General*

CONFIDENTIAL Washington, May 26, 1910

My dear Governor General,

Thank you for your telegram of last night, which seems to have crossed a confidential one from me to you of yesterday afternoon.

I had yesterday a long talk with Mr. Templeman,[1] who fortunately was in Washington, and discussed the Behring Sea sealing arrangements with him in a way which I found very profitable. He was satisfied with the United States proposed amendment regarding the duration of the agreement, and to me it seems to give Canada all that she wants, because she will be a party to the contemplated international agreement and can prevent it from running for any longer period than she desires, and the United States may think it undesirable to commit themselves to a ten years' period in the first instance. It looks like doing by a special and secret bargain what would be more fit to be arranged at the Conference. However, I say this subject to the opinion of Sir Wilfrid Laurier, which I hope to have to-morrow and which may put a new face on the matter. Of course if he prefers the ten years' plan, I will press that upon the United States Government. Would there be any objection to a ten years' plan which should continue until notice was given by either party?

As respects the minor objections, Mr. Templeman has explained them to me, and he and I saw no reason why I should not begin discussing them with the United States Government as soon as Hoyt, who is in charge of the matter, returns to Washington, probably on Saturday. Still, it would be desirable that I should have from you at the earliest possible moment a pretty full statement both of the objections and of the grounds for them, with, if possible, an indication of the amendments which your Ministers think needed to bring the draft into a form they can approve. Time is precious and, if you can let me have these by Monday next, if possible, we might dispose of the matter pretty quickly. There is really nothing at issue which might not be

[1] William Templeman, Minister of Mines and Inland Revenue, 1906-1911.

settled with no great difficulty, and the agreement as a whole seems fair to both parties, subject to the amendments you desire.

Two other minor points were discussed by Mr. Templeman and myself. One was the making of a provision for enabling Canada to have somebody on the spot in the islands to look after her interests and be satisfied that she was getting all that was stipulated for. I had suggested this to the United States Government when we were discussing the agreement and they did not object, but observed that when it was admitted in principle, it would be easy subsequently to arrange for the best way of securing to Canada what she required. Mr. Templeman and I thought we might state this in Notes to be exchanged at the time of the agreement, leaving the details to be subsequently settled, and it naturally occurs that we may in the same way deal with the question of fixing the valuation of the skins, leaving that point, when the principle had been mentioned in the agreement that the value was to be taken according to market prices from time to time, to be worked out by the parties subsequently. It might for instance be settled by the Canadian delegate and the United States delegate to the Conference when the Conference meets and it has become certain that some international agreement will be made. It is a rather technical question which it might be hard to make full and proper provision for in the agreement, but which could be better discussed and settled by two people over a table at a later stage. I shall be glad to know what you think of this idea.

The other point was as to the adhesion of other Maritime Powers to the international agreement. I told Mr. Templeman that Root and I had always been of opinion that we must, if possible, get that adhesion, otherwise the whole international agreement might fail of effect. The present draft agreement contemplates that adhesion and I do not know that we can carry the matter any further so far as the agreement goes. It is, moreover, even more the interest of the United States than our own to secure such an adhesion of other Powers, at least of those whose territories front on the Pacific.

I may add that the United States Government did not wish to lay this agreement before the Senate at the present stage, as in that case it would come to the knowledge of Russia and Japan, who might raise claims for compensation. As its taking effect will be contingent upon the conclusion of an international agreement at the Conference, they conceive that the proper time for sending it to the Senate will not arrive till that agreement has been concluded.

Very sincerely yours,

JAMES BRYCE

653. *Ambassador in United States to Governor General*

My dear Governor General, Washington, May 31, 1910

I have had a conversation with Mr. Hoyt, who is in charge of the Behring Sea Sealing Treaty on behalf of the State Department, and have discussed

with him not only the question of the terms of suspension which the agreement should cover but also the other minor points mentioned in your telegram of May the 16th.

As regards the term the United States are very unwilling that the term of ten years should stand in the agreement because they think it will be quite too short a time in which to try the experiment properly. I explained to them that it really did not much matter what term was mentioned in this agreement, as the important thing was the term which would be mentioned in the international agreement, but they still beg that you will consider their proposal, which is as follows: In Article I after the words "Behring Sea" in line 4 insert these words: "during such period as may be specified in the international agreement hereinafter mentioned," and at the end of Article VII add the words "and the foregoing articles may be terminated upon the termination of such international agreement or at any time thereafter by twelve months' written notice given by either the United States or Great Britain to the other." These two amendments taken together would prevent it from being supposed that Canada was making by this agreement any permanent or general indefinite renunciation of her natural and national right to take seals because the whole question of the term would be passed over to the international agreement.

If your advisers think that some fixed term must be specified in the agreement, I will, of course, return to the charge, and the term of fifteen years might be suggested as splitting the difference, but I do not see that to make the currency of this agreement depend upon the currency of the other agreement could raise any hostile criticism in Canada, seeing that the whole matter would be left for subsequent determination.

As respects the other points mentioned in your telegram of the 16th, the United States are willing to agree to the inclusion of all other present or possible rookeries, and I suggest these words as proper to cover that point, viz.: In Article II, line 2, after the words "Pribilof Islands," insert these words, "or elsewhere in or on any seal rookeries belonging to the United States."

Thirdly, as respects Article III and the valuation to be put upon the skins, I represented strongly to the United States that Canada was not prepared to assent to ten dollars a skin as being the proper valuation, which the Article seemed to imply, and that you considered either that a higher sum should be fixed or that provision should be made in the Article for fixing a value upon the skins from time to time according to the current price. This was the suggestion which had been discussed by Mr. Templeman and myself at our recent interview. Mr. Hoyt proposed to compromise the matter by leaving the first paragraph of Article III to stand as it is now, the value of the skins being taken in that Article at $10 each, and by inserting at the end of the second paragraph of Article III the valuation of $15 per skin so that that higher price would apply to the skins dealt with under the second part of the Article. He also suggested 5 per cent as a proper rate of interest.

There would, no doubt, be some little trouble involved in fixing the price of the skins by valuation from year to year, but this might be done if your

advisers think it desirable to insist upon the point. If they object to the retention of the first part of Article III, I might be authorized to suggest the substitution for 20,000 sealskins of 15,000 sealskins, which would have the effect of raising the valuation of a skin for the purpose of the first part also of the Article, viz., the advance payment.

Fourthly, as respects the provision in the end of Article II that "this Treaty shall be taken in settlement and satisfaction of all outstanding claims against the United States" on account of seizure of sealing vessels, I represented your objections to that proposal, and Mr. Hoyt intimated that he personally would be disposed to advise the Secretary of State to accept the omission of that provision.

Fifthly, I pointed out to Mr. Hoyt that questions might arise as to what were the "necessary charges for expenses for taking, storing and transporting the sealskins" and remarked that there ought to be a provision in the agreement entitling Canada to have some means of satisfying herself that these charges were proper. I suggested that a provision be inserted by which she should be entitled to satisfy herself in this matter by an agent to represent her on the spot, or otherwise. Mr. Hoyt assented to this suggestion and I should propose to add it in whatever form your advisers think best.

You will gather from what I have said that there is very little left in difference between the parties, so that we ought to be able shortly to arrive at an agreement and I shall be glad to have your views at the earliest possible moment.

After my interview with Mr. Hoyt and just as I was beginning this despatch, I received your telegram informing me that it is hoped to send off a statement of the views of your Ministers to-night or to-morrow. As, however, time is now short, it seems better that I should send you at once this report of the attitude of the United States Government as it may, even though it will cross yours, serve to clear the matter up and enable more rapid progress to be made. To-day was the first day that I could see Mr. Hoyt.

The only point on which further negotiations may be needed is the question of the valuation of the skins, and that is only an affair of a few thousand pounds, so need raise no grave difficulties once the question of the duration of the term is settled.

I am etc.

JAMES BRYCE

654. *Administrator to Ambassador in United States*

SECRET DESPATCH 72

Ottawa, June 14, 1910

Sir,

With reference to my cypher telegram of the 11th June, which I have the honour hereby to confirm, regarding the draft treaty proposed by the United States Government for the purpose of providing compensation to Canada for the abandonment of the right of pelagic sealing enclosed in Your

Excellency's despatch of the 26th March, I have the honour to transmit, herewith, for Your Excellency's information, copy of an approved Minute of His Majesty's Privy Council for Canada upon which my telegram was based.

I have etc.

D. GIROUARD

[ENCLOSURE]

Order in Council

P.C. 1239 June 11, 1910

The Committee of the Privy Council have had under consideration the draft treaty proposed by the United States Government for the purpose of providing compensation to Canada for the abandonment of the right of pelagic sealing, which was enclosed in the despatch of His Majesty's Ambassador at Washington, dated 26th March, 1910.

The Committee observe that the draft treaty as framed provides for an indefinite cessation of pelagic sealing, whereas the basis on which they had originally agreed to negotiate was a suspension of such sealing for a fixed period. Their objection to this feature of the treaty is insuperable and in order that it might conform to their views in this regard they would propose that Article I should be amended by the insertion in the third line of the Article as it appears in the printed copy forwarded with Mr. Bryce's despatch, after the word "prohibited", of the words "during a period of fifteen years from the day on which this treaty comes into force", and by the further insertion in the twelfth line after the word "prohibit", of the words "during the same period".

The Committee further observe that Article II as drafted makes provision for an equitable selection of Canada's share of the land take by arranging that the fifth in number shall also be a fifth in value of the sealskins. Your Excellency's advisers would prefer that the standard for determining the fair division should be fixed by the treaty as the quality of the sealskins, the division being so made that the average quality of the sealskins constituting Canada's share shall be equal to that of the skins retained by the United States.

Further, in view of the possibility of the migration of the seals and the establishment of rookeries in territory subject to United States jurisdiction at other places than the Pribilof Islands, where, equally, benefit might be reaped by the United States from Canada's abstention from pelagic sealing, they consider that the treaty should establish Canada's right to share in the land take on such rookeries to the same extent as on the Pribilof Islands.

Your Excellency's advisers object to the proposed deduction from Canada's compensation of "charges for expenses for taking, storing and transporting" the sealskins prior to their delivery and are absolutely unable to agree to the final clause of the Article by which it is proposed that the provisions of the

treaty should be accepted in settlement of outstanding claims against the United States on account of the seizure of or interference with sealing vessels. The settlement of these claims is in their opinion a question quite apart from that of the compensation of Canada for renouncing her right of pelagic sealing to which the scope of the treaty now under consideration is confined.

They would propose, therefore, that Article II should be recast so as to read as follows:

> The United States agrees that one-fifth in number and in quality of the total number of sealskins taken annually upon the Pribilof Islands *or any other lands subject to the jurisdiction of the United States,* shall be delivered at the end of each season to the Government of His Britannic Majesty. Provided, however, that nothing herein contained shall restrict the right of the United States at any time and from time to time to suspend altogether the taking of sealskins on these islands and to impose such restrictions and regulations upon the total number of skins to be taken in any season and the manner, and times, and places of taking them as may seem necessary to protect and preserve the seal herd or to increase its numbers.

As regards Article III Your Excellency's advisers would propose that it be amended by substituting in the first line, for the words "within twelve months after this Article goes into effect", the words "on the day this treaty comes into force" and by omitting in the third line the words "the first twenty thousand" and by substituting in the fifth line for the words "which skins shall be retained by the United States in satisfaction of such payment" the words "which sum shall be returned to the United States as soon as the value of the sealskins delivered to Great Britain under the provisions of this treaty reaches that amount reckoned at their market value, such market value to be determined by arbitration." They would further propose that the words in lines 15 to 17 "after deducting the first twenty thousand skins of Great Britain's share to be retained by the United States as above provided" should be omitted, and that in line 22 the words "reckoned at their market value determined as above provided for" should be substituted for the words "at a valuation of dollars per skin."

With regard to the remaining provisions of the treaty Your Excellency's advisers do not consider it necessary to offer any observations.

The Committee advise that Your Excellency may be pleased to forward a copy hereof to His Majesty's Ambassador at Washington.

All which is respectfully submitted for approval.

655. *Ambassador in United States to Administrator*

DESPATCH 102

Sir, Dublin, N.H., July 11, 1910

. . . I am without an answer to my despatch No. 94 of the 16th of June, in which were conveyed the suggestions of the United States Government designed to meet the objections which the Dominion Government had taken to the draft treaty regarding the proposed suspension of pelagic sealing

in Behring's Sea; and as the United States have been for some weeks past expecting a reply to their suggestions in which they evinced, unofficially, a disposition to assent to alterations which would have yielded practically all or nearly all the points as to which the Dominion Government had taken exception, there would seem to be a risk that there might appear to be a lack of courtesy on our part if I fail to make some reply to them. I gather unofficially that it has not been yet found possible to arrive at a decision on these points, but I should be glad to be informed what I am to say to the United States Government and what indication it is desired that I should give to them of the time when a decision can be arrived at and communicated to them. I need hardly remind you that they have been wishing to be able to issue invitations for the assembling of the proposed Conference at an early date in order that steps might be taken to avert the threatened extinction of the seal herd, and that the negotiations have proceeded on the assumption that the invitations could not be issued until a preliminary arrangement had been arrived at between His Majesty's Government and that of the Dominion and the United States Government.

It may, of course, be suggested that the Dominion Government might agree to the issuing of the invitations without waiting for the conclusion of the present negotiations in the hope that they can be brought to a satisfactory issue before the date when the Conference can meet, which could hardly be before the end of the present year. I have not, however, recommended that course, because the Dominion Government might think that they would by doing so put the United States Government in a more favourable position for continuing the negotiations, nor can I feel certain that that Government will, when the negotiations are resumed, show so accommodating a spirit as they did when I discussed the matter with them in the end of May and early part of June. They may possibly even drop the whole matter in despair of a possibility of saving the herd, as Mr. Root two years ago indicated to me that he sometimes thought of doing.

As you are aware, the Russian Government have long ago intimated to His Majesty's Government their anxiety that the proposed Conference should meet as soon as possible. The Japanese Government are, it is understood, of the same opinion, and His Majesty's Government take a similar view. Although the interest of Canada and that of Great Britain in the preservation of the seal herd from extinction are much smaller interests than is that of the United States, still they are substantial interests, and the desirability of arresting that rapid destruction of the herd which it is believed the Japanese sealing vessels are now effecting by killing the seals just outside the three-mile limit is matter of common concern to ourselves and to the United States.

I have etc.

JAMES BRYCE

656. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH

My Lord, Downing Street, August 11, 1910

I have the honour to inform Your Excellency that His Majesty's Government have had under their consideration the question of the naval patrols which will be necessary to carry out the provisions of the agreement for the suspension of pelagic sealing now under discussion with the Government of the United States.

2. As your Ministers are aware, the draft agreement provides that an area greater than that of the present prohibited zone shall be patrolled by ships of the signatory powers, though Article VII contemplates the duty being shared eventually by the ships of four powers instead of by those of the United States and Great Britain alone.

3. His Majesty's Government are of opinion that in order to meet the requirements of the patrol which will be necessitated by the new agreement, if concluded, an arrangement should be made so that the duties could be performed by Canadian ships and vessels as well as by ships of the Royal Navy. They consider that the proposed agreement contains nothing which should prevent the patrol duties being carried out by ships of the Canadian Naval Force or by Canadian Revenue vessels, which would thus relieve the Royal Navy to a great extent, and I desire accordingly to express the hope that your Ministers will agree that Canadian vessels should co-operate as soon as circumstances permit in patrolling the waters affected by the agreement.

4. It is being arranged that the customary patrol shall be carried out this year as usual by ships of the Royal Navy.

I have etc.

CREWE

657. *Order in Council*

P.C. 2009 October 22, 1910

The Committee of the Privy Council have had under consideration a report, dated September 30, 1910, from the Secretary of State for External Affairs, to whom was referred a confidential despatch, dated August 11, 1910, from the Right Honourable the Principal Secretary of State for the Colonies, on the subject of the naval patrol of Behring Sea.

The Secretary of State for External Affairs observes that the Minister of the Naval Service concurs in the opinion that if an agreement should be reached for the suspension of pelagic sealing, and it should be necessary to increase the patrol in Behring Sea, it would be proper that Canada should take part in this patrol. The Revenue vessels in the Canadian Service on the Pacific Coast are too small to be utilized for service on the High Seas, and would, therefore, not be available for this purpose. The vessels which it is proposed to obtain for the Canadian Navy could, however, undertake such

a patrol, and as soon as these ships are built and equipped, Canada will be prepared to send one or more of them to do patrolling in the prohibited zone.

The Committee, on the recommendation of the Secretary of State for External Affairs, advise that Your Excellency may be pleased to inform the Right Honourable the Principal Secretary of State for the Colonies in the sense of this Minute.

All which is respectfully submitted for approval.

658. *Ambassador in United States to Governor General*

TELEGRAM Washington, January 20, 1911

SECRET. Convention approved by His Majesty's Government, subject to addition to Article IV of words "outside territorial waters," and this amendment accepted by United States Government. United States Government wish to substitute for words "upon equitable terms," words "by appropriate arrangement." Former wording, they fear, may suggest too clearly to third parties a claim for compensation. Proposed alteration which was suggested by us seems to meet all the requirements of Canada. They also wish to add (to?) this Article words "And also to prohibit use of their ports or national flag by pelagic sealers or in aid of pelagic sealing." I understand this addition was approved *ad referendum* last week by Minister of Justice.

Approval of these latter suggestions as soon as possible would be much appreciated by United States Government in order that they may convene conference. They seem to me unimportant and [garbled]. I will submit them to His Majesty's Government.

BRYCE

659. *Governor General to Ambassador in United States*

TELEGRAM Ottawa, February 4, 1911

With reference to your cypher telegram 20th January pelagic sealing. Following is the substance of a Minute of Council passed to-day.[1] Begins. Canadian Government have no objection to suggestion of His Majesty's Government to add words "outside territorial waters" to Article IV. Canadian Government, while they do not recognize any substantial difference between the original form of words "upon equitable terms" in Article VII and proposed amendment are willing to accede to suggestion of United States Government to substitute phrase "by appropriate arrangements," but suggest that "in virtue of appropriate arrangements" would be preferable. Canadian Government are unable to concur in proposed addition to Article VII of the words "and also to prohibit the use of their ports and national flag by pelagic sealers or in aid of pelagic sealing." His Majesty's Government and Canadian Government cannot accept the implication contained in this [clause] that pelagic sealing is *contra bonos mores* in view of the uniform attitude of His Majesty's Government and His Majesty's Canadian Government towards this question,

[1] Approved February 6.

and can acquiesce in amendments now under consideration only if prohibition respecting ports and flags be limited to pelagic sealing within the areas to which the "appropriate arrangements" may apply. Canadian Government therefore suggests following addition "and also to prohibit the use of their ports and flag in the furtherance of pelagic sealing within areas covered by such arrangements." [Ends.] Despatch follows. This has been communicated to the Colonial Office by telegraph.

GREY

660. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM Washington, February 5, 1911

Pelagic sealing. Amendments enumerated in your telegram of yesterday accepted by United States Government. Am informing Foreign Office that I have proposed to sign on Tuesday understanding Foreign Office to have received your amendments by cable.

BRYCE

661. *Governor General to Ambassador in United States*

PARAPHRASE OF TELEGRAM Ottawa, February 6, 1911

Pelagic sealing. Signature to-morrow agreed to by Canadian Government.

GREY

662. *Ambassador in United States to Governor General*

TELEGRAM Washington, February 7, 1911

Treaty respecting pelagic sealing signed this morning.

BRYCE

663. *Ambassador in United States to Governor General*

CONFIDENTIAL DESPATCH 26

My Lord, Washington, February 15, 1911

With reference to my telegram of the 7th instant, I have the honour to transmit herewith copy of the agreement for the suspension of pelagic sealing,[1] signed by myself and the Secretary of State on the 7th instant.

The Treaty has been transmitted to the Senate, which is to consider it to-day. No difficulty is expected to arise over its approval. As reported to you in my telegram of the 8th instant, the United States Government have requested that the terms of the agreement should be kept confidential for the

[1] The text of the Treaty is printed in *Treaties and Agreements affecting Canada in force between His Majesty and the United States of America with Subsidiary Documents, 1814-1925.* Ottawa, 1927, pp. 374-376.

present, and when I enquired for how long a period they desired this secrecy to be maintained, they replied "until the meeting of the proposed conference." It may well be doubted whether the substance of the treaty provisions will not leak out through Senators to the press, a thing which has frequently happened here.

I have etc.

JAMES BRYCE

P.S.—I am informed that the Treaty has this afternoon been favourably reported by the Senate Committee.

664. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM 28 Washington, February 16, 1911

SECRET. Following sent to Foreign Office to-day: Pelagic Sealing Treaty has passed Senate without removal of secrecy which United States Government wish to maintain.

At the earliest convenience of participating Powers, United States Government propose to arrange conference in Washington. Date will probably depend on Japan. In the formal invitation, United States Government wish to refer to acceptance by all the Powers of proposal made in their note of January 21, 1909. Russia and Japan seem to have accepted that proposal; we, of course, have not pending conclusion of our treaty. Am I authorized to accept proposal formally?

Two delegates, with experts, will be invited by United States Government from each Power, but experts will not participate in proceedings.

BRYCE

665. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM Washington, February 25, 1911

Pelagic sealing. My telegram to Foreign Office, February 16. His Majesty's Government accept form of proposed conference in view of assent of Canadian Government. United States Government will be so notified and date of conference telegraphed as soon as known.

BRYCE

666. *Governor General to Ambassador in United States*

TELEGRAM Ottawa, April 4, 1911

Pelagic sealing. Following sent to Colonial Office to-day: Your telegram of 27th March and previous telegrams, pelagic sealing; my Ministers have

no objection to immediate ratification of treaty with United States. They are prepared to join in international conference and agree to date proposed for first meeting, viz., 10th May or 11th May. They concur in suggestion that question of preservation and protection of sea-otters be included in scope of discussion of conference. Despatch follows.

GREY

667. *Ambassador in United States to Governor General*

DESPATCH 60

My Lord, Washington, April 18, 1911

I have the honour to transmit herewith copies of a despatch which I have this day addressed to His Majesty's Government enclosing copy of a note from the United States Government, submitting a programme for the discussions of the international Conference on pelagic sealing, which is to meet in Washington next month.

I have etc.

JAMES BRYCE

[ENCLOSURE]

Ambassador in United States to Foreign Secretary

DESPATCH 117

Sir, Washington, April 18, 1911

I have the honour to transmit herewith copies of a semi-official note received to-day from the Counsellor to the State Department, submitting the proposals of the United States Government in regard to the international convention for the preservation and protection of fur seals, which it is proposed to discuss at the Conference to be opened in Washington on May 11. A summary of these proposals has been cabled to you to-day.

It will be observed that the proposals follow pretty closely the provisions of the treaty recently concluded with His Majesty's Government, diverging from them only in such matters as the area of prohibition and provision for the adherence of other Powers, and this for obvious reasons. It will also be observed that Proposal 8 revives the original draft of the aforesaid treaty as discussed last year.

No mention is made in these proposals of measures for the preservation of other species, and I will take an early opportunity of enquiring in what form the United States Government propose to bring these ancillary matters before the Conference.

I have etc.

JAMES BRYCE

[SUB-ENCLOSURE 1]

United States Department of State to Ambassador in United States

Washington, April 15, 1911

My dear Mr. Ambassador,

In compliance with my recent promise to send you at an early date an expression of the views of the United States as to the provisions which should be included in the proposed international convention for the preservation and protection of the fur seals, I enclose a series of propositions which express those views and which in substantially the form now presented will be submitted on the part of the United States for the consideration of the Fur Seal Conference to be held here next month.

I take pleasure in informing you that the suggestion that the first meeting of the Conference be held on Thursday, the eleventh day of May, which has already been approved by you, has now proved to be acceptable to all the Governments concerned.

I am etc.

CHANDLER P. ANDERSON

[SUB-ENCLOSURE 2]

Propositions showing substantially the views of the United States as to provisions which should be included in the proposed international convention for the protection of the fur seals

1. That the citizens and subjects respectively of the Parties to the Convention, and all persons subject to their laws and treaties, and their vessels, be prohibited from engaging in pelagic sealing in the waters of the North Pacific Ocean, north of the thirty-fifth parallel of north latitude and including the Seas of Behring, Okhotsk and Kamchatka.

2. That every such person and vessel offending against such prohibition may be seized, except within the territorial jurisdiction of another Power, and detained by the naval or other duly commissioned officers of any of the Parties to this Convention, to be delivered as soon as practicable to an authorized official of the nation to which they belong, at the nearest port to the place of seizure or elsewhere, as may be mutually agreed upon; and that the authorities of the nation to which such person or vessel belongs alone shall have jurisdiction to try the offence and impose the penalties for the same; and that the witnesses and proofs necessary to establish the offence so far as they are under the control of any of the Parties to this Convention shall also be furnished with all reasonable promptitude to the proper authority having jurisdiction to try the offence.

3. That each of the Parties to this Convention shall prohibit the use of any of its ports by any persons for any purposes whatsoever connected with the operations of pelagic sealing in the waters mentioned.

4. That each of the Parties to this Convention shall prohibit the importation of or bringing into its territory any fur seal skins which have not been

taken under its authority and within its territorial jurisdiction or within the territorial jurisdiction and under the authority of any other Party to this Convention.

5. That the Parties to this Convention undertake to enact and enforce such legislation with appropriate penalties as may be necessary to make effective the foregoing provisions.

6. That an exception be made exempting from the application of the foregoing provisions Indians or other aborigines dwelling on the coasts of the waters mentioned, who carry on pelagic sealing in canoes not transported by or used in connection with other vessels, and propelled entirely by paddles, oars or sails, and manned by not more than five persons each, in the way hitherto practised and without the use of firearms; provided that such aborigines are not in the employment of other persons nor under contract to deliver the skins to any person.

7. That each of the Parties to this Convention shall maintain a guard or patrol in the waters frequented by the seal herd in the protection of which it has a special interest, so far as may be necessary for the enforcement of the foregoing provisions.

8. That the Parties to this Convention agree that the foregoing provisions shall be extended so as to effectively protect within an area to be agreed upon fur seals whose breeding grounds belong to any Power which, by adherence to this Convention or otherwise, shall agree with the signatory Parties to make the foregoing provisions applicable to its own citizens or subjects.

9. That appropriate provision be made in the Convention for the subsequent adherence to it by other Powers.

10. That the signatory Parties agree to co-operate in endeavouring to secure the adherence of other Powers to this Convention or the adoption and enforcement by them of prohibitions against pelagic sealing by their own citizens or subjects in any of the waters covered by this Convention, and of the use of their ports and flag in the furtherance of pelagic sealing within such waters.

11. That the term "pelagic sealing" be defined for the purpose of this Convention as meaning the killing, capturing, or pursuing in any manner whatsoever fur seals at sea outside territorial waters.

12. That the period fixed for the duration of the Convention be sufficiently long to test its effectiveness as a means of protecting and preserving the fur seals; and that at any time after the expiration of such period each party shall be at liberty to withdraw from the Convention by giving one year's written notice to each of the remaining Parties.

668. *Ambassador in United States to Governor General*

DESPATCH 61

My Lord, Washington, April 20, 1911

In my despatch No. 60 of the 18th I had the honour to submit to the Dominion Government the programme proposed by the United States

Government for the proceedings at the Conference on Pelagic Sealing which is to meet in Washington on May 11.

The question having been raised by His Majesty's Government as to whether there was any inconsistency between the last clause of the programme as to the period of duration of the international agreement and Article VI of the treaty recently signed between His Majesty's Government and the United States Government which predicates a period for the agreement of fifteen years, the point was raised to-day in conversation with the State Department. Mr. Anderson who is in charge of the matter said that after consideration it had been thought more proper to propose a general principle rather than a definite period, but that it was the intention of the United States Government to have fifteen years adopted in application of that principle and that Russia and Japan were aware of this and had raised no objection.

On my enquiring as to the reason for the absence of any reference in the programme to the protection of other species I was informed that the United States Government not being prepared with any specific proposals in regard to them had thought better to leave these matters out of the formal programme. He thought we might perhaps usefully exchange views, especially regarding protection of plumage birds but that any results arrived at should be merely suggestions *ad referendum*.

In regard to publication of our treaty Mr. Anderson said that the United States Government attached importance to its not being published before the Conference. It had been communicated to the Russian and Japanese Governments in confidence.

I have etc.

JAMES BRYCE

669. *Governor General to Ambassador in United States*

TELEGRAM Ottawa, May 3, 1911

Following telegraphed to Colonial Office to-day: My telegram 27th April. International Sealing Conference. Joseph Pope, Under-Secretary of State for External Affairs appointed as second British delegate. Minute of Council to-day[1] appoints James Macoun, Assistant Naturalist and Botanist of Geological Survey; Captain Charles I. Harris, of Victoria, British Columbia, and W. A. Found, Acting Superintendent of Fisheries, to accompany Mr. Pope as experts.

GREY

670. *Ambassador in United States to Foreign Secretary*[2]

DESPATCH Ottawa, May 5, 1911

Sir,

I have the honour to inform you that I took the opportunity of being at Ottawa to discuss with the Canadian Minister of Fisheries (the Governor General being present), and also with the delegate (Mr. Pope), and the

[1] The Order in Council was P.C. 913 dated May 2.

[2] A copy of this despatch was given to the Governor General.

experts, who are proceeding from Canada to the Pelagic Sealing Conference at Washington, the programme sketched out by the United States Government for the deliberations of the Conference, a copy of which was sent you some time ago (April 18th).

The chief point to which these gentlemen called my attention was the question of extending the provisions of the proposed arrangement between the four Powers to other waters than those of the Northern Pacific; as it is understood that the wish of the United States is to induce the three other parties to the Conference, and ultimately all other maritime Powers to agree to the total abolition of pelagic sealing.

The Canadian Ministers entertained some doubts as to this proposal, and as I recall that you were in correspondence through the Colonial Office with the Government of New Zealand on the subject, I shall be glad to have an indication from you of the present views of the New Zealand Government, and the extent to which it would be proper for the delegates representing His Majesty's Government to go in consenting to an extension of the proposed provisions against pelagic sealing in North Pacific Ocean.

The question was also raised as to whether the patrolling of the Northern Pacific waters frequented by the several seal herds should be left to the United States, Russia, and Japan, or whether Canadian or British vessels should take part in it, and if so, how far? Upon this subject also I should be glad to have an expression of your views.

I enclose a copy of a memorandum recording the points raised in the discussion which has been prepared by Mr. Malcolm, the Governor General's Secretary.

The first meeting of the Conference is fixed for May 11.

I have etc.

JAMES BRYCE

[ENCLOSURE]

Conversation on United States proposals as to International Convention for Protection of Fur Seals

Ottawa, May 5, 1911

PRESENT:

The Governor General, Mr. Bryce, Mr. Brodeur, Mr. Pope, and the Canadian expert advisers.

Two points of importance arose:

1. As to Paragraph 4 of the United States proposals—

The Canadian representatives pointed out that this clause as drafted would prohibit the importation into any port of the British Empire of any seal skins (whether taken on land or sea), except such as had been taken under the authority and within the territorial jurisdiction of one of the four Parties

to the Convention. Thus (for example), sealers from Halifax would be prohibited from bringing home the skins of seals taken at sea in the neighbourhood of the Lobos Islands and the Lobos Island Company itself would be prohibited from importing into England the skins of seals taken on land in the Lobos Islands under the Company's charter from the Uruguayan Government.

Mr. Bryce said that the United States Government had not intimated to him that they contemplated a case of this kind, and suggested that the proposal might have been drafted with a view to what would be the case if the adhesion of other maritime Powers had been secured.

It was suggested that the difficulty should be got over by providing that the prohibition should only extend to the importation of skins taken within the area defined in Paragraph 1, unless taken under the authority and within the territorial jurisdiction of one of the Parties to the Convention.

Mr. Bryce further suggested that the Convention should provide that certificates of origin should be required by the Parties to the Convention as a condition of allowing the importation of any seal skins, so that the customs authorities of the participating Powers might be able to satisfy themselves that the skins had been taken in accordance with the Convention. Mr. Bryce thought that this was what the United Sates intended.

2. As to Paragraph 7—

Mr. Pope urged that Canada's interest in the preservation of the fur seal species was much the same all over the area defined in Paragraph 1, and suggested accordingly that the British patrol should not be limited to any particular part of that area.

This suggestion arises out of the view taken by the Canadian representatives that one of their objects in the forthcoming negotiations should be to secure some share in the proceeds of the Russian and Japanese land catch under agreements analogous to that just concluded between Great Britain and the United States. The argument is that if Canada, which owns no rookeries of her own, is to forego the right which she now enjoys of pelagic sealing in the neighbourhood of the Russian and Japanese rookeries, she should receive some *quid pro quo,* just as in the analogous case of the Pribilof Islands seals. Mr. Pope said that the Russians had in the past admitted the reasonableness of this contention.

Mr. Bryce thought that there would be difficulty, at any rate in the case of Japan, in securing acquiescence in this view, and that Japan would argue that Canada might fairly regard the partnership in the Pribilof Islands sealing business, which she will secure if the contemplated international agreement is concluded, as a sufficient *quid pro quo* for her abstention from pelagic sealing throughout the Northern Pacific. She would hold that Canada's abstention from sealing in the neighbourhood of the Japanese rookeries would be sufficiently compensated for by Japan's abstention from sealing in the neighbourhood of the Pribilof Islands.

671. *Prime Minister to Canadian Delegate*[1]

CONFIDENTIAL

Sir, Ottawa, May 8, 1911

The Governor in Council having designated you as the Canadian delegate to the International Conference shortly to meet at Washington with a view to concerting measures for the protection and preservation of the fur seal in the North Pacific Ocean, I think it well to address to you a few confidential observations for your general guidance.

Canada having, by the separate treaty recently entered into with the United States, accepted the principle involved in assenting to a temporary cessation of pelagic sealing within a circumscribed area, in return for a pecuniary consideration, your attitude towards proposals for an extension of this arrangement to cover the Asiatic side of the North Pacific Ocean, should be that taken in the prior negotiations, namely, that Canada is prepared to abstain from the exercise of her undoubted right, only in return for an adequate consideration.

You will not fail to impress upon the members of the Conference that Canada's relation towards this question differs essentially from that of the United States, Russia, and Japan. They, as rookery-owning powers, are naturally desirous to suppress sealing at sea, and thereby enhance the value of their property on land. Canada's interests, on the other hand, lie wholly in the ocean. Any general agreement between the powers for the suppression of pelagic sealing should therefore provide for the admission of Canada to a share in the land take on the Russian and Japanese islands. You are aware that in a conference between Russia and Canada which took place in London in 1904, the Russian Government, through its representative, formally declared itself willing to join the United States in making such compensation to Canada.

You will keep me fully informed of the course of the discussions, and of the progress of events.

Before agreeing to any arrangement of a binding character, you will communicate to me the proposals in which you are invited to concur, and await instructions from this Government.

You are at liberty to show this letter to Mr. Bryce.

I have etc.

WILFRID LAURIER

672. *Canadian Delegate to Ambassador in United States*

Dear Mr. Bryce, Washington, May 11, 1911

As I may not have a convenient opportunity of speaking to you before the Conference this afternoon, it might be well that I should communicate

[1] While the Prime Minister here referred to Joseph Pope as the "Canadian delegate" and Mr. Pope himself used this term in reporting on the Conference from Washington, his official position was that of "second British delegate". See Document 669.

to your Excellency the instructions which I received from the Prime Minister before leaving Ottawa. I enclose a copy of Sir Wilfrid Laurier's letter to me.

I also enclose copy of an extract from the minutes of the proceedings of a conference between Russian and Canadian delegates respecting the seizure of Canadian sealing schooners, which took place in London in 1904. Your Excellency will see therefrom that M. Botkine spontaneously declared the willingness of the Russian Government to join with the United States in compensating Canada for the suppression of pelagic sealing. The view of the Canadian Government that we ought to be compensated for the suppression of pelagic sealing in the western half of the North Pacific Ocean in like manner (though possibly not in equal degree) as we are to be compensated by the United States for the cessation of pelagic sealing in the eastern half, derives, *quoad* Russia, additional force from the offer of the Russian delegate, who, I see, is also a delegate to the approaching Conference.

The argument that Canada would benefit from the suppression of pelagic sealing all round, in the increased value of her interests in the Pribilof Islands herd, does not lie in the mouth of Russia, for the reason that Russia has no pelagic sealers, and therefore gives up nothing so far as Canadian interests are concerned. It seems to me therefore that we should call upon Russia to implement her offer made only seven years ago.

Yours etc.

JOSEPH POPE

[ENCLOSURE]

Extracts from minutes of meeting held March 15th, 1904

. . .

The Russian delegates made the following declaration:

The Russian delegates, having been constituted the interpreters of the good will of their Government to again investigate, by means of these present meetings, in a friendly manner, the cases of the seizures and arrests of Canadian boats in the Behring Sea in 1892, the legality of which has been found by two Russian Governmental Commissions, do not know any way of deviating from the position taken by the Russian Government upon the points of law and which have been several times recently explained by the Imperial Government.

They find it necessary to hold that the Russian cruisers, in obedience to their instructions, were justified in effecting these seizures or arrests in the interests of the preservation of the species of fur seals. They would regard it as a happy result if the present meetings would allow of the arrangement of an understanding upon the subject of the practical measures which should be taken for the preservation of the said species. This is a question in which Canadian interests are specially involved. The Russian Government is aware that negotiations have taken place between United States and Canada in which it was proposed to arrange the matter by making a money compensation to the Canadian traders interested.

At the request of the American Government the Russian Government has declared itself willing to join in making such compensation which would be at the joint cost of Russia and the United States, after the necessary arrangements have been made to render such combination in every way effectual. In this case, in return for the good will which the Canadian Government might show, the Imperial Government would consent, in addition to the Russian participation in said compensation, to pay a still further sum, which would be considered as putting an end to the present claims for the seizures of the ships, which sum, be it understood, would correspond to a part only of the total sum of the claims, and would be distributed among the parties interested as the Canadian Government found proper.

The Russian delegates asked whether the Canadian delegate was authorized to continue the discussions on this ground.

The Canadian delegate answered that his instructions had not contemplated this case, but that he would be pleased to bring this declaration of the Russian delegates to the knowledge of his Government.

The Russian delegates will await the answer of the Canadian Government.

BOTKINE

673. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Washington, May 11, 1911

Sir,

I arrived here yesterday afternoon and at once called upon His Excellency the Ambassador, with whom I had a short conversation.

At one o'clock Mr. Bryce presented the British members of the Industrial Property and Sealing Conferences to the President. The ceremony was quite informal. Mr. Taft welcomed us and spoke a few pleasant generalities.

At 3.30 this afternoon the Sealing Conference held its first session, preceded by a welcome from the Secretary of State, Mr. Knox. (The meetings are held in the State Department.) The Chief United States Commissioner is Mr. Nagel, the Secretary of Commerce and Labour, who, on motion of Mr. Bryce, took the Chair. It was determined that the proceedings of the Conference should be secret and nothing given out to the press until results had been arrived at. The United States members then submitted as the basis for discussion the programme which Mr. Bryce sent us on the 20th April[1] and which had been considered by our Government and in part objected to. However, it was not necessary for me to say anything, for the Japanese Ambassador here, who is the chief delegate of his country, announced that he was not prepared to accept this programme, pending instructions from his Government, and asked that the proceedings be postponed until Thursday next, on which date he said he understood the real business of the Conference was to begin. This was tentatively agreed to, with the proviso that if he found himself ready to go on before Thursday, the Conference would proceed to

[1] See Sub-enclosure 2 with Document 667.

business. It looks as though an understanding existed between Russia and the United States, and that the chief difficulty the latter is going to experience is with Japan, between whose delegates and those of Russia there does not, by the way, seem to be any love lost, which you will not be surprised at when you read the enclosed cutting from the New York *Herald* of yesterday.

Before going into the Conference I thought it well to communicate to Mr. Bryce my instructions. On walking home from the Conference he told me that he wanted to discuss these instructions with me. He added that our position was quite new to him, and that neither Sir Wilfrid Laurier nor Mr. Brodeur, with whom he had had conversations in Ottawa, had given him any indication of our intention to claim compensation from Russia and Japan as the condition of agreeing to extend our arrangement with the United States over the whole North Pacific Ocean. He did not recall the Russian offer to join the United States in compensating us, which I showed him. On reading it he agreed that we were justified by that statement in calling upon Russia to implement her promise, but as regards Japan, he did not think there was a chance of our getting anything. He added, however, that he understood Japan was taking the same line with the United States, that is, that she would demand compensation from them for giving up pelagic sealing in the eastern half of the Pacific Ocean, and he thought that our counter demand on Japan, *quoad* the western half, might have the effect of causing the latter to modify their pretensions. He favours the idea, which no doubt will be put forward by the United States, that we are now, by virtue of our agreement, *partners* with them in the sealing business. They evidently expect that Russia and Great Britain will form, as it were, a coalition against Japan. He spoke to me several times about "our seals," meaning thereby that our share in the seals on the Pribilof Islands established a community of interest between us and the United States. He is going to discuss the matter with me more fully before the Conference meets again. All I can do at present is to watch the progress of events and at the proper time state our position in the Conference. It is a fortunate thing that the very man who, in 1904, declared on the part of Russia that she was ready to join with the United States in compensating us, is the chief Russian delegate at this present Conference.

I must admit that our claim against Japan is not so strong as it is against Russia, for the reason that if Japan agrees to prevent her subjects from pelagic sealing in the eastern half of the Pacific Ocean, she will be giving up more than we shall, because she has a large sealing fleet, numbering something like fifty vessels, while we have at present only four or five schooners actually out, and whereas by the Paris Regulations of 1893, we are prevented from approaching within sixty miles of the Pribilof Islands, prohibited from using any weapons other than spears and clubs, and bound by a close season of three months in each year, Japan observes no close season, may sail up to within three miles of the Pribilof Islands, and may use any weapons they please.

My position is rather a difficult one, the more so as it does not appear strongly to commend itself to our Ambassador. However, I must hope for

the best. I feel satisfied that it is sound in itself, and in full accord with the traditional policy of our Government on this subject from the beginning. I should much like to have the opinion of the Minister of Justice as to the soundness of the view that one-fifth interest for fifteen years in the land take on the Pribilof Islands, constitutes us a rookery-owning power. I must say it does not impress me. We are not partners, nor shareholders in the ordinary sense, nor even lessees, for we have absolutely no voice in the regulation of the seals on the islands.

I have etc.

JOSEPH POPE

674. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Sir, Washington, May 17, 1911

I enclose copy of the Protocol of the first meeting.[1] As I intimated in my last letter, the Japanese delegates found themselves ready to proceed before Thursday, the date to which they originally asked a postponement, and the Conference met yesterday. Japan put in a statement, copy of which I enclose.[1] By it you will see that they stand out for compensation, and are far from reasonable in their suggestions and requests. The United States and Russia asked for time to consider these proposals, and the Conference has adjourned until Friday. I do not for a moment think that the United States, as the owners of the most valuable rookeries and therefore chiefly interested, will agree to Japan's demands, nor will Russia. The Japanese, however, have left themselves a liberal margin, and will, I anticipate, ultimately accept much less than their original demands. Meanwhile they are, in one sense, fighting our battles and making it difficult for themselves to refuse us compensation.

I took advantage of the occasion to make a statement setting forth Canada's position. I did this with the full approval of Mr. Bryce who has not alluded to the partnership theory since I last wrote, but on the contrary has been most kind and helpful. I quite realize that our present treaty with the United States is a good one, and that it is in our interest to aid them in inducing Japan and Russia to come into the larger arrangement, by which means alone our treaty can become effective. My attitude does not render the task of the United States any more difficult. On the contrary, it should assist them in dealing with Japan, who is the principal obstacle to the conclusion of a general treaty. Her attitude in posing at once as a pelagic sealing power, and as a rookery-owning power, savours of rapacity.

I have etc.

JOSEPH POPE

[1] Not printed.

675. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Sir, Washington, May 18, 1911

I dined last evening with General Foster, whom I had met at several previous conferences and arbitrations. After dinner, Mr. Botkine, the chief Russian delegate to our Conference, came up to me and pleasantly remarked that if he did not contradict my statement that Russia had offered compensation to Canada for the suppression of pelagic sealing, which I had made to the Conference at the last meeting, it was because he was unwilling that there should be any differences between *us*. He said this in such a way as to indicate that Great Britain, Russia and the United States ought to be allies against Japan. He proceeded to explain that any remarks he might have made in 1904, referred only to compensation for the seizure of particular Canadian vessels, and did not apply to the general question of pelagic sealing. I smilingly dissented without saying anything, whereupon he beckoned Mr. Chandler Anderson, the second United States delegate, to join us, and repeated his denial with more vehemence, intimating that if I did not withdraw my remarks, he would be under the necessity of bringing the question up at the next Conference. I told him I had no objection to his doing so. On turning the matter over in my own mind afterwards, I doubted, in view of the strength of my position, if it would be in our interest to make an enemy of Mr. Botkine, by humiliating him before the Conference, and considered whether it would not be better to communicate the evidence on which I relied to him privately.

I called on Mr. Bryce this morning and told him of Mr. Botkine's conversation, at the same time showing him what Mr. Botkine had said in 1904. He agreed that it quite justified my statement, at the same time concurring in the view that perhaps it would be better to show it to Mr. Botkine outside the Conference, and thus let him down easy. Mr. Bryce also said that inasmuch as Mr. Botkine had made Mr. Chandler Anderson a party to our last night's conversation, he thought I was justified in showing Mr. Anderson my proof. I had scarcely left the Embassy before Mr. Botkine arrived, hot foot, and took the matter up with Mr. Bryce, protesting that he had never said anything to give ground for my statement. I had taken away the copy of Mr. Botkine's 1904 utterances, so Mr. Bryce could only speak of it in general terms. On my return to the Embassy, Mr. Bryce wrote a note to Mr. Botkine, and enclosed a copy of the minute of the Conference of 1904, attested by Mr. Botkine himself. I append copy of this minute for your convenience.[1]

I had an appointment with Mr. Chandler Anderson at noon. When I showed him Mr. Botkine's statement, he seemed uneasy and attempted to explain the United States part in it, by saying that Mr. Botkine evidently referred to a private understanding in force at that time between the United States and Russia, whereby Russia was to handle Japan, while they (the

[1] See enclosure to Document 672.

United States) took charge of Canada. This explanation, of course, is pitifully weak, for several reasons. Mr. Botkine does not mention Japan at all in his statement, but on the contrary speaks of negotiations with *Canada*. In the second place, in March, 1904, Russia and Japan were in mortal combat, and I am sure were thinking of nothing so little as of seals. However, I made no reply. Mr. Anderson evidently does not consider that our attitude is helpful to them, as Mr. Bryce thought it might be, for he asked me if I would consent to the omission of my statement as to Russia's offer and their own, from the Protocol of Tuesday's proceedings. This I declined to do. He then professed his fear lest my insistence on compensation from Russia and Japan might break up the Conference. That the Conference may collapse is quite possible, but if it does, it will be primarily because the United States cannot come to an arrangement with Japan.

Mr. Chandler Anderson was very strong on the partnership theory, telling me that the United States deliberately gave us an interest in the Pribilof herd with the object of qualifying us as a rookery-owning power, and of ranging us on their side as an ally in this business. A few minutes later he rather gave himself away by stating that the United States Senate would probably prohibit all killing on the islands, in which case we should be powerless, and would have to be content with $10,000 annually, without any voice in the administration or regulation of the seals.

While I regard Mr. Anderson's attitude at this early stage of the game as a bluff, I recognize that it may ultimately come to giving up our claim against Russia and Japan in order to save our treaty with the United States. If I am confronted by such a situation, I will telegraph for instructions. On the one hand we should be abandoning our traditional attitude on this question, and sacrificing consistency. On the other, we should be temporarily giving up something of little present value, for the sake of securing a good treaty with the United States. Mr. Templeman will be in a position to decide which course would be most in the interest of British Columbia.

Our Government in the last resort can take the ground that in helping to withdraw Japanese pelagic sealers from the ocean, we are improving our interest in the Pribilof Islands herd, and thus indirectly receiving compensation.

I have just heard that the next Conference has been postponed till Monday, to enable the United States to prepare their reply to Japan.

The thermometer is at 102°.

I have etc.

JOSEPH POPE

676. *Minister of Justice to Secretary of State for External Affairs*

Dear Murphy, Ottawa, May 19, 1911

Referring to your conversation with me as to the effect of the recent agreement between Great Britain and the United States for the suspension of pelagic sealing, I write to say that I certainly should not consider this agree-

ment as having the effect of making Great Britain, or Canada, substantially partners with the United States in the business of sealing.

It used to be the view, one hundred years ago, that any one who shared in the profits of a partnership business thereby became liable as a partner, and the present suggestion seems a sort of relic of that idea, but any such opinion as to the law of partnership was long ago exploded by the decision of the House of Lords in Cox *v.* Hickman (8 H. L. Cas. 268). Since the decision in that case (1860), the rule in determining whether a partnership does or does not exist is simply that regard is in each case to be paid to the true intention of the parties as appearing from the whole facts of the case.

The receipt by a person of a share of the profit of any partnership business is *prima facie* evidence that he is a partner in the business, but that is all; and in this connection it is to be borne in mind that there was always considered to be a great distinction between sharing net profits on the one hand, and sharing gross returns on the other, and the rule is that while receiving a share of actual or net profits is *prima facie* evidence of partnership, sharing in the gross returns is not so. The one-fifth share in the annual take of seal skins which Canada is to receive under the recent Pelagic Sealing Agreement would seem to me to be at most a sharing of gross returns, and not any sharing of the net profits of the business. In former times, somewhat similar agreements were not unusual in connection with whaling voyages, where the sailors would be paid a certain proportion of the produce of the oil obtained, but it was never held that this made them partners either with each other or with their employers.

I think the recent Pelagic Sealing Agreement might also be read as practically amounting to an arrangement by which Canada should receive a certain liquidated amount by instalments out of the accruing profits of the United States sealing operations, such payment to Canada being in the nature of the discharge of a debt, and if the receipt of a share of the profits of any business can be regarded in this light, it is clearly established that the receipt of a share under such circumstances does not, of itself, constitute the person receiving the share a partner in the business.

I return the copies of despatches which you were good enough to lend me in this connection.

I remain etc.

A. B. Aylesworth

677. *Canadian Delegate to Secretary of State for External Affairs*

Confidential despatch

Sir, Washington, May 23, 1911

Yesterday the Conference met to consider the United States reply to Japan's proposals. Mr. Anderson opened the proceedings by reading a long historic account of the question which, though interesting, was not particularly relevant. Then, referring to Canada's claim which I had advanced at the last meeting, he, in almost threatening tones declared that the questions it raised were so serious that in their opinion it should be discussed and settled

before proceeding with the other questions now before the Conference. His attitude was that of a man smarting under a feeling of resentment. I think too, his aim was to draw from me some premature statement and thus embarrass me. I made no reply, however, and Mr. Bryce intervened, pointing out that Canada had already declared her position in general terms, and that before saying anything further, we desired to know how the United States proposed to deal with Japan's proposals, as our attitude might be influenced thereby.

Then the Russian delegate brought up the question of their 1904 offer of compensation to Canada, stating that whatever might have been Russia's position then, it was different now, and that she could not consider the question of compensation to Canada. By way of clinching his point he added that Canadian sealing vessels had not taken a seal in Russian waters during the last ten years. I got him to say that his refusal to entertain our claim was contingent upon the correctness of this statement. I then replied that he was quite in error—that our sealers had taken at least 10,000 seals belonging to the Russian herd, in the last ten years.

In view of the apparent determination of both the United States and Russia to ignore Canada in this business, I have decided to send Mr. Found to Ottawa to report to you the position of affairs. He can explain matters orally better than I can by letter.

The question I may have to consider is whether I should adhere to Canada's contention even at the cost of the treaty with the United States. That is the point to be decided. Mr. Found knows how this treaty is regarded by Mr. Brodeur and his Department better than I do. He is also familiar with the historic aspect of the subject and understands what the abandonment of our stand means. I await instructions with anxiety.

I have etc. JOSEPH POPE

678. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Sir, Washington, May 24, 1911

The fourth meeting of the Conference took place to-day at 11 o'clock.

The proceedings opened by the Russian delegate reading a reply to the Japanese proposals, which substantially, though with certain reservations and requests for further information, meant that they were ready to enter upon a consideration of Japan's claims.

I then produced my evidence in disproof of Mr. Botkine's statement made at the last sitting. I showed that within the last ten years (the time specified by the Russian) Canadian sealers took no fewer than 12,802 Commander Island seals. He seemed unabashed, and repeated that Russia was not bound by the offer I had referred to, at the same time positively declining to consider any claim for compensation on the part of Canada.

I have etc. JOSEPH POPE

679. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Sir, Washington, May 25, 1911

The Conference opened to-day with an objection by the United States delegation to an observation in Mr. Bryce's remarks in the fourth draft [protocol] to the effect that both Russia and the United States had acknowledged the principle of compensation. I had said the same thing, but when the Ambassador repeated it, they took exception to it, urging that he had not, as a matter of fact, uttered the words attributed to him. I think he did say them, but in any case the objection came with little grace from the United States, who in that very protocol put in Mr. Nagel's mouth a speech, scarcely a sentence of which he had spoken. The result was that Mr. Bryce's remark was made to appear in the form of a reference to my statement. I do not remember the exact [ex]change, but the incident is not important, as nobody appears to attach much weight to the protocols, or to what they say or do not say.

The United States delegates then went on to explain that they gave Canada a share in the Pribilof herd, not as compensation, but in order that she might qualify before this Conference as a rookery proprietor! The Russians again denied ever having acknowledged the principle of compensation, though they had repudiated their offer of 1904 the day before, on the grounds (1) that they did not consider themselves bound by it because it was not taken advantage of at the time, and (2) that we did no damage to their seals. It will be observed that both these reasons inferentially admit the principle they now deny.

Japan has not given any answer to our demand against her, and I have not pressed her so far, for the reason that our case is not so strong against her as against Russia, and also I doubt the policy of forcing her hand just now, as I look upon her as being in some respects in the same situation as ourselves. It was announced at the Conference to-day that Russia and Japan's private negotiations had not advanced sufficiently far to make an announcement and an adjournment was taken until Monday, the 29th.

It now looks that the United States and Russia have agreed to divide the labour, the United States taking charge of Canada, while Russia undertakes to settle with Japan, perhaps with the secret assistance of the United States. I do not see how this plan can succeed, for Japan must ask compensation from the United States, but if any such compact is made, Canada might find herself shut out, and the odium of breaking up the Conference would fall upon her. I therefore felt the time had come for me tentatively to put forward some constructive proposal, which I did in these words:

> Before adjournment I should like to say, with reference to an enquiry recently raised by Mr. Anderson as to whether Canada would be prepared to contribute a portion of her interest in the Pribilof Island seals towards effecting an arrangement with Japan, that I have been considering this suggestion, and while I am not prepared at the moment to make a definite statement on the subject, I am

disposed to view it as a possible basis of a proposal which I may receive authority from my Government to submit to the next meeting of the Conference. Any such proposal would involve as a necessary condition a recognition by Russia and Japan of a Canadian interest in their land catch, analogous to that accorded Canada in the United States land catch that would be surrendered by Canada as indicated above.

My offer was received almost contemptuously. Mr. Chandler Anderson left the room while I was speaking. Mr. Nagel, the Chairman, made it plain that the United States would not consider any proposal which included compensation to Canada. Mr. Botkine asked, almost indignantly, if I actually proposed a scheme which would offer something to Japan which I withheld from Russia. In vain I urged that Japan had sealers to compensate, while Russia had none. "Oh then," said Mr. Nagel, "it's the bad boy that gets the plums." Both declined to entertain my proposals. Nevertheless, so persuaded am I of their disregard of anything approaching to consistency, that I thought it well to telegraph you, which I did as follows:

Have I authority to offer to give up one-quarter skins we are to receive from United States under our treaty with them, such quarter to go towards compensation Japan, we receiving from Japan and Russia fifteen per cent of their annual land kill after five years from conclusion of arrangement. This would involve a present sacrifice of one-tenth of amount we are to receive from United States under treaty, but would mean recognition of sealing rights in western half of Pacific Ocean, and give us an international standing. I should receive reply not later than Sunday noon.

I hope to receive an answer not later than Sunday. If there is no objection, I will submit this proposal on Monday, though without much hope of success, as Russia and the United States have evidently agreed upon a policy of refusing to recognize Canada's claim to compensation for the surrender of her sealing rights for fifteen years in the whole of that vast region comprising something like 5,000,000 of square miles, known as the western half of the North Pacific Ocean.

Mr. Found will be in Ottawa to-day, and will fully explain the position.

I have etc.

JOSEPH POPE

680. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Washington, May 26, 1911

Sir,

I enclose a draft of what I conceive to be a studiously moderate statement which I propose submitting to the Conference on Monday next. It refers in general terms to the proposals I yesterday asked authority by wire to make. On reflection I think I had better avoid particulars until I have ascertained that the United States and Russia will entertain any proposals of this nature from Canada, which from their present attitude I am almost sure they will not.

I very much hope to get a wire from you before 11 a.m. on Monday, approving this. If the urgency is great I will make it in any event and trust to the Government approving my course later. But if at all possible send me a wire to reach me on Monday *morning*. I need all the support I can get just now. I am writing a note to Mr. Bryce enclosing a copy of these proposed remarks.

Should the United States and Russia flout this proposal, as they probably will, my idea is that I should withdraw from the Conference, or at any rate refuse to sign, as Sir John Thompson did in Paris when the objectionable Behring Sea Regulations were carried over his head in 1893. My course however will be entirely governed by your instructions.

I have etc.

JOSEPH POPE

[ENCLOSURE]

Draft Statement to be submitted to Conference by Mr. J. Pope on behalf of Canada at the meeting of the 29th May, 1911[1]

The Government of Canada has learned with unfeigned surprise that the United States Government does not consider that the arrangement which they have recently entered into with Great Britain recognizes the principle of compensation to Canada for the temporary relinquishment of the right to carry on pelagic sealing in the eastern half of the North Pacific Ocean. They were under the impression that at the Joint High Commission which sat in Washington in 1898-9, in which several members of the present Dominion Cabinet took part—as well as throughout the subsequent negotiations on this subject, Canada's contention in this regard was fully acknowledged by the United States, and they do not rely exclusively upon their memories to support this belief. They find themselves unable to acquiesce in the view that Great Britain, in agreeing to accept a share in the land take of the Pribilof Islands for a term of years thereby became a rookery-owning power in the North Pacific Ocean, and they point to other stipulations in the treaty recently concluded, as justifying their understanding that Canada agreed to forego the exercise of her sealing rights in the above mentioned area, in lieu of what she conceived to be an adequate return—in other words—for compensation.

They also find a difficulty in interpreting the action of Russia in 1904 otherwise than as a recognition of Canada's claim to compensation for surrendering her right to pelagic sealing in the waters frequented by the Russian herd. But I do not wish to continue the controversy on this point, which is unnecessary to my present purpose. All that Canada now asks is that whatever be the basis of the treaty between the United States and Great Britain, with the terms of which my Government is very satisfied, that basis be extended to cover the remuneration of Canada for the right of pelagic seal-

[1] Owing to the sudden change of front on the part of Russia and the United States in regard to the question of compensation to Canada, this statement was not communicated to the Conference. [Footnote as in document.]

ing in the waters frequented by the Russian and Japanese seals. I do not ask that Canada should receive more in practical value than she gets under the treaty with the United States. In pursuance of this policy I am authorized to accept any reasonable proposal which will require Canada to contribute within the maximum of twenty-five per cent of her interest in the Pribilof Islands herd, and in equitable proportion to the contribution of the other powers towards any arrangement for meeting the requirements of Japan.

It would seem to be rather the province of the United States and of Russia, as being the powers with preponderating interests in the herds, to make constructive proposals in reply to those of Japan, but should these powers desire it, I am prepared to put forward in the name of my Government suggestions looking to such an arrangement as I have indicated.

The basis that as at present advised Canada is willing to proceed upon, would involve no gain in value to her. On the contrary it would entail considerable present sacrifice of her material interests. The value surrendered by Canada would be available for the relief of Russia and the United States in any arrangement to be made with Japan, and the equivalent interest to be given to Canada by Russia and Japan in their herds, might be made contingent upon the increase of these herds, or suspended for a period to be allowed for recuperation.

I think that in making this concession as a basis for a constructive scheme, Canada has given such evidence of her desire to meet the views of the other parties to this Conference as entitles her proposals to careful consideration, and may enable the Conference to frame a general arrangement in which the Dominion can be associated.

681. *Secretary of State for External Affairs to Canadian Delegate*

TELEGRAM Ottawa, May 27, 1911

Adhere to position that Canadians have undoubted right to take seals everywhere in high sea and that on principle we cannot forego that right anywhere without fair compensation which country possessing neighboring rookeries should provide. We cannot assent that February agreement makes us rookery proprietor or imposes on us any of the liability of a partnership. We see no reason for modifying its terms, but would not object to reduce amount of proposed compensation from Japan and Russia to extent suggested, so long as the principle is maintained. Your letter 25th received. Adhere to above whatever the consequence.

MURPHY

682. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Sir, Washington, May 28, 1911

I duly received your telegram of the 27th instructing me to adhere to our position in claiming compensation from Russia and Japan as a condition of

our agreeing to prohibit our people from carrying on pelagic sealing in the western half of the Pacific Ocean. I was also glad to learn that my refusal to agree with the view of the United States that our recent agreement with that country made Canada a rookery proprietor, or imposed upon us any of the obligation of partnership, met with the approval of the Government.

From the statement that the Government see no reason to modify the terms of the existing treaty, I infer that my suggestion to give up a small percentage of our share to assist the United States in satisfying Japan, does not meet with their approval. This does not embarrass me, however, as both the United States and Russian delegates have already rejected my *quasi* offer.

I shall at once communicate the contents of this telegram to Mr. Bryce. His Excellency is not sanguine of our being able to obtain the desired recognition of our rights, though he will of course uphold our claim in the Conference.

The question now arises, shall I make the announcement at the next meeting of the Conference? Mr. Bryce sees no reason for any precipitate action. He considers that I can afford to wait the turn of events in perfect security, as my statement of Canada's claim as recorded in the second Protocol abundantly safeguards our position. Unless there arise imperative reasons which may seem to me to call for immediate action, I will be guided by the Ambassador's judgment in the matter.

I enclose copy of the third Protocol.[1] The fourth is not yet approved.

I have etc.

JOSEPH POPE

683. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Washington, May 29, 1911

Sir,

Your letter of the 27th confirmatory of your telegram of even date reached me to-day. I have also your wire of the 29th:

"Letter 26th and telegram 27th received. Adhere to instructions in my telegram of Saturday last."

To-day's happenings have been full of interest. Last Thursday the Conference adjourned until 11 to-day to receive the report of the private negotiations in progress between the Japanese and the Russians. This morning the Japanese and we were on hand, but the Russian and United States delegates had not arrived. They were sent for. Soon two Russians appeared, explaining that they did not understand that the meeting was for to-day, and that Mr. Botkine, their chief, had gone to Baltimore. Shortly afterwards Messrs. Chandler Anderson and Lansing (the latter son-in-law of General Foster who has recently been put on the United States delegation as a technical legal expert) arrived, but without Mr. Nagel, the Chairman of the Conference.

[1] Not printed.

While we were waiting the Japanese Ambassador (who is their chief delegate) informed Mr. Bryce that neither the Russians nor the United States had made them any proposals of any kind up to date. With the Chairman and the principal Russian delegate absent, no conference could be held, and a further adjournment was taken till Thursday, so I had no opportunity of presenting my latest instructions, even if I had decided to do so to-day which I had not.

Before leaving the room, Mr. Lansing, whom I know very well, came up to me and asked me if I had had any reply from Ottawa as to the proposal I had outlined as a possibility at the last meeting. I replied that from the manner in which both the United States and Russia had treated my suggestion, I considered the proposal a dead issue. He replied confusedly that there was a misunderstanding in the matter—that the United States could propose no arrangement with Japan until they knew what we were prepared to do in the way of assisting them, and that things were absolutely held up in the meantime. He added that if we could come to some such an arrangement, the United States on their part would undertake to obtain for us a share in the Russian and Japanese rookeries, and otherwise make things pleasant for us. While he was speaking, the two Russians stood a little way off, evidently knowing what was going on. It looks to me as though the misunderstanding about the meeting was concerted between Russia and the United States. Apparently they have come to the conclusion that they cannot reach an arrangement with Japan without our help, and we hold the key of the situation.

In view of this sudden change in the attitude of the United States I thought it would be well after conference with the Ambassador to send you this telegram:

> United States Government have privately appealed to me to help them in coming to terms with Japan by contributing a small percentage of our fifth share on lines already indicated to you, they undertaking to get for us in return an interest in Russian and Japanese herds. As a result of these proceedings and of private conversations I am inclined to consider such a scheme as affording the best means available of securing a recognition by the Conference of our traditional principle and of realizing the policy in my instructions. Further, it should improve greatly our position by making us an associate on an equal footing with the other powers in any international regulation of the rookeries instead of as now a dependent on the United States solely. I therefore recommend that I be authorized to consider proposals from the United States Government on this basis for reference to you. Reply before the next meeting on Thursday.

My reason for re-submitting this suggestion to the Government is to be found in the changed circumstances of the case. It seems to me that we ought to take advantage of this sudden *volte-face* of the United States in order, if possible, to effect an arrangement.

It is hard to meet the argument that Japan's abstention from sealing in the Paris Award area increases the value of our share in the Pribilof Islands and that while we are right in exacting compensation from her as a rookery-owning power, we cannot very well refuse to take this factor into account. Messrs. Found and Macoun consider that we should ultimately be gainer

financially by such an arrangement as I have outlined, and I believe Mr. Found left with you a memorandum showing this. Even though we should lose a little financially, it seems to me we might with perfect consistency agree to some such proposal if the Government thought well of it.

The fourth and fifth Protocols are not yet approved.

I should mention that just before Mr. Lansing put his question as to whether I had received authority to make any constructive proposal, the Japanese Ambassador made the same enquiry of me. He too is anxious. From being regarded as almost a negligible quantity, this kaleidoscopic change of attitude on the part of the United States has made Canada the mistress of the situation. I cannot doubt that it is to be ascribed to our Government's resolute attitude as embodied in your telegram of the 27th, an inkling of which may have some way reached the Powers.

I have etc.

JOSEPH POPE

684. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Sir, Washington, June 6, 1911

I duly received your telegram of the 1st instant, as follows: "We would not stand on exact percentage of compensation, so long as it is anything reasonable, but adhere to matter of principle."

My letter of the 29th ultimo will have informed you of the remarkable change of heart on the part of the United States delegation. This was further exemplified at the meeting of Thursday last, 1st June. You may remember that the meeting of the Conference of the 25th May adjourned to receive the report of the private negotiations going on between the Japanese and Russians. That report was to have been received at the meeting of the Conference of the 29th May, but owing to a misunderstanding no meeting was held on that day. The next meeting was on the 1st June. The day previous, it became known that Russia could not make any headway in dealing with Japan. When the Conference met on the 1st instant, this was tacitly confessed by the United States and Russia handing in the enclosed proposals,[1] offering to give up 25 per cent of the gross number of skins taken annually on their islands for distribution, as compensation between Great Britain and Japan, as these two powers might agree. This throwing the disagreeable duty of dealing with Japan on our shoulders, was rather a clever move. These proposals of the United States and Russia are, in effect, as you will see, a complete backdown from their original position—that they would not recognize the principle of compensation to Canada—and a confession that without our assistance they are unable to do anything with Japan.

On Friday the 2nd instant, we had a meeting in my working room, with the Japanese, with the object of trying to come to some arrangement with

[1] Not printed.

them. At this meeting we made them a proposal, of which I enclose a copy. You will see that in it we retain the whole of the 20 per cent that the United States promised us, and hand Japan over the 5 per cent extra. On the other hand, we retain only 5 per cent of the Russian contribution, and give Japan 20 per cent, and we also ask for 15 per cent from Japan.

The Japanese took this proposal seriously, and said that they would communicate with their Government on the subject. We have not been able to get anything out of them since. They promised yesterday that we should meet to-day, but this morning they sent word that they had not heard from Tokio, and that they could not meet us until they had received definite instructions. I understand privately that they will refuse our proposal, which we did not suppose they would accept, it being intended more as the basis for negotiations than anything else. I am also told that they are going to demand that the 25 per cent, which Russia and the United States are prepared to give us as compensation, be increased to 40 per cent. They are willing, in turn, to divide this evenly with Canada, and also to give us a share of their own rookery. I do not think this is a proposal we should agree to, as it savours of extortion. The Japanese, however, realize that they have got Russia and the United States in a corner, and they are going to hold them up. They will propose this at our next meeting, which I hope will be to-morrow, when we shall try and induce them to be reasonable. We intend to maintain the position towards them that Canada's share of this compensation must not be less than what she was promised under the special treaty with the United States. We will not press for much more than this. Meanwhile the sittings of the Conference are suspended until we can come to terms with Japan.

I enclose a copy of the fourth Protocol,[1] which I only received to-day. The fifth has not yet appeared.

I have etc.

JOSEPH POPE

[ENCLOSURE]

First proposal made by Canada to the Japanese—2nd June, 1911

That the United States give Great Britain 20 per cent of the total number of seal skins taken on their islands.

That the United States give Japan 5 per cent of the total number of seal skins taken on their islands.

That Russia give Great Britain 5 per cent of the total number of seal skins taken on their islands.

That Russia give Japan 20 per cent of the total number of seal skins taken on their islands.

That Japan give Great Britain 15 per cent of the total number of seal skins taken on their islands.

That Japan give other powers 10 per cent of the total number of seal skins taken on their islands.

[1] Not printed.

Analysis of above proposal on the basis of the restoration of the herds to their normal number

United States kill	Russian kill	Japanese kill	
60,000[1]	35,000[2]	2,000[2]	
	Results to Japan		
3,000	7,000	1,500	11,500
	Results to Canada		
12,000	1,750	300	14,050

That is to say that Japan would receive 11,500 skins, without any further cost to her than is involved in the management and protection of her rookeries. This would be a great improvement on her present position. The gross returns from her sealing operations of 1910 did not exceed 8,000 skins, secured at an absolute loss.

685. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Washington, June 7, 1911

Sir,

The Japanese sent us word this morning that they had received instructions from their Government and were ready to meet us at once. A meeting was accordingly held in my rooms at which they rejected our first proposal, copy of which I sent you in my letter of the 6th instant. This we expected. We then pointed out that the United States and Russia had made an offer of 25 per cent to Canada and Japan, but that 20 per cent of the United States contribution was ours already under our separate treaty, and that we could not be expected to enter into any arrangement by which we should receive less from the three powers than one power was ready to give us. Short of that we were willing to agree to any reasonable arrangement. The Japanese Ambassador replied that he quite recognized our position, and could not expect us to take less than we already had. On the other hand if we took 20 per cent from the United States there would be little left for Japan. The trouble was, he said, that 25 per cent was not enough to go around, and he urged us to join with him in pressing the United States and Russia to increase their offer from 25 per cent to 35 per cent. We replied that the United States had dealt generously with us; that we were quite satisfied with our share, and that if the portion left over for Japan was not enough, it was their business to go to the United States and tell them so. In the meantime we urged that another effort should be made to settle on the 25 per cent basis, and with that object in view we handed them our second proposal, copy of which is enclosed. Our first proposal was based on the prospective increase of the herds. The second proposal is based upon what the rookery-owning powers agree in calling "actual

[1] The United States have stated that they do not propose to kill more than 60,000 annually.

[2] These figures are a conservative estimate based on the average yields of the land takes of the rookeries in question during the period they were under lease, and before pelagic sealing became a serious factor. [Footnotes as in document.]

conditions," though they are much below the reality, which is all the better for us. In it we give up 2½ per cent of what we get from the United States, yet so divide the whole as to come out evenly, giving Japan, with 90 per cent of the product of her own rookery, within 23 skins of as much as we get ourselves. While admitting its fairness, the Japanese declined to accept this proposal on the ground that it did not leave them enough, and announced their intention to go back to the United States and Russia and demand 35 per cent. As soon as they get their answer they are to meet us again. Messrs. Nagel and Chandler Anderson are both out of town, but as soon as the Conference was over, Mr. Bryce and I saw Mr. Lansing, the third United States delegate, and told him that Japan would not come to any arrangement with us, on the ground that 25 per cent was not enough to enable them to do so. We added that the Japanese were going to approach them (the United States and Russia) with a request that they raise their contribution to 35 per cent, and that we had declined to associate ourselves with this demand. Mr. Lansing, while not as positive as I expected to find him, said that that could not be done as even if the United States were agreeable, which they were not, Russia would refuse. Mr. Bryce and I gathered from his remarks, however, that if 30 per cent would bring matters to a satisfactory conclusion, it would be forthcoming. With 30 per cent we could make an even division with Japan of 15 per cent each, and thus reach a satisfactory arrangement, but I am afraid that Japan, feeling that she has Russia and the United States in a tight place, will hold out for 35 per cent. To this policy I could not be a party, as I feel that 30 per cent is a generous contribution, but if Japan can get 35 per cent out of the other powers, I see no reason why we should not divide it equally with her as she is willing we should do, and give us 17½ per cent of her own rookery kill besides. We are now awaiting the result of the Japanese application to the United States and Russia for 35 per cent.

Our position is vastly changed from the opening days of the Conference. Our principle has been acknowledged, in fact, by the United States and Russia, and Japan is willing that we should have a proportion of whatever the other powers may contribute, and will also give us a share in the proceeds of her own rookeries. We are appealed to by both sides. By Japan to assist her in getting better terms, and by the United States and Russia to moderate Japan's demands. What the outcome may be I cannot say, though I fancy the United States will think twice before sacrificing their rookeries for the sake of 5 per cent.

I have etc.

JOSEPH POPE

[ENCLOSURE]

Second proposal—Great Britain's proposal, based upon actual condition of the herds

Handed to the Japanese 7th June, 1911

That the United States give to Great Britain 17½ per cent of the total number of seal skins taken on their islands.

That the United States give to Japan 7½ per cent of the total number of seal skins taken on their islands.

That Russia give to Great Britain 15 per cent of the total number of seal skins taken on their islands.

That Russia give to Japan 10 per cent of the total number of seal skins taken on their islands.

That Japan give to Great Britain 10 per cent of the total number of seal skins taken on their islands.

Japan retaining 90 per cent of the total number of seal skins taken on their islands.

Present United States herd	Russian herd	Japanese herd	
120,000	18,000	7,600	
	Kill on basis of 5 per cent		
6,000	900	380	
Of this Japan's share would be:			
450	90	342	882
And Great Britain's share would be:			
1,050	135	38	1,223

Under the treaty with the United States, Great Britain would get 1,200 skins, so that under this arrangement Great Britain would gain 23 skins.

686. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Washington, June 11, 1911

Sir,

On Friday last the Japanese reported to us that they had approached the United States with a request that the latter and Russia raise their contribution to 35 per cent, and that both powers had refused to entertain the proposal. The question of 30 per cent was not broached. In acquainting us with this result the Japanese Ambassador made a new demand. Not only must they have 17½ per cent from the United States, but they insist upon having 30 per cent from Russia, which on the present basis is 5 per cent more than Russia is willing to give altogether. The Japanese Ambassador added with perfect frankness that they felt they had Russia in a corner, and were going to exact the full toll or else kill off their seals.

We tried them every way, offering in the event of the United States and Russia giving 30 per cent (which they would probably do) to divide equally with Japan we taking 15 per cent each, with 15 per cent from Japan. They replied that while our offer was quite fair, it was not enough. They must have 17½ per cent from the United States and not less than 25 per cent from Russia. On the other hand they would give up 35 per cent of the yield of their rookeries (at present a negligible quantity) all of which we could keep if the United States and Russia had no objection.

Their attitude is apparently influenced by resentment against Russia and the United States.

They told us they had practically agreed with the United States to call the general Conference for to-morrow to announce the failure of the British and Japanese negotiations, and to propose an adjournment till the autumn, endeavouring in the meantime to settle the affair through diplomatic channels. Notwithstanding their resolute attitude, I thought it well to put the responsibility for failure squarely on them, and with that object in view I yesterday addressed a letter to the Japanese Ambassador, copy of which, and also of his reply, I enclose. You will see from the latter they are obdurate. Mr. Bryce's attitude in refusing to associate us with their demands on the United States and Russia, met with my full approval. In view of our manifold relations with the United States, it would, in my opinion, have been contrary to the interests of Canada to have joined with Japan in making an exorbitant demand upon them. It would have produced no result beyond embittering them against us. Not that I have much sympathy with them just now. Their want of foresight in bringing Japan here in Conference on the supposition that she would tamely acquiesce in our arrangements with the United States without putting in a claim of her own, is past all bounds. Now, the United States delegates are saying privately that the failure of the negotiations is due to Canada's attitude. Nothing more fallacious could possibly be imagined. They have to blame themselves for their own stupidity.

The meeting of the Conference is fixed for noon to-morrow, at which Japan and we will report our failure to agree, whereupon the Conference will probably adjourn till some date to be agreed upon.

I have etc.

JOSEPH POPE

[ENCLOSURE 1]

Canadian Delegate to Ambassador of Japan in United States

Dear Baron Uchida, Washington, June 10, 1911

I am so impressed by the desirableness, not merely in the interest of the countries immediately concerned, but of the world at large, of reaching an agreement in the Fur Seal Conference, that I take the liberty of addressing to you these few lines.

While I am quite at one with your Excellency in regarding pelagic sealing as a lawful pursuit, we cannot deny that it is an improvident and wasteful one, and that, provided adequate provision be made for those engaged in the industry, it is in the interest of all the countries concerned that it should cease.

This should appeal with special force to Japan as a rookery-owning power. With all deference, it does not appear to me that this aspect of the case has received as much consideration as its importance deserves. Nothing can be more clearly shown than that, with the abolition of pelagic sealing, and under proper regulations for killing on land, Robben Island is destined to become,

in the not distant future, the resort of a large and valuable herd. I enclose a short memorandum setting forth the grounds upon which I base this statement.

Canada, on the other hand, possesses no rookery. Her interest is wholly confined to the open sea. There, however, it is considerable. I showed your Excellency the other day that in the ten years between 1891 and 1900 our sealers had taken no fewer than 122,000 seals in Asiatic waters south of latitude 50°, in addition to 44,000 seals taken north of that latitude and west of 180°. You replied that many of these 122,000 belonged to the Commander herd. While that may be the case to some extent, we know from the records that large numbers of seals annually resorted to Robben reef and the Kurile Islands. After making a liberal allowance for Commander seals, it is manifest that many thousands bound for what are now Japanese rookeries were taken by Canadian sealers. The stoppage of pelagic sealing will at once do away with this source of revenue to us, and increase the value of your rookeries. Surely in any division of compensation between us, these factors should be taken into account.

Beyond these practical considerations, there is one which I think should not prove wholly ineffective with Japan. Canada cannot forget that it was Great Britain who, at a large expenditure of money and with infinite labour, vindicated for Japanese sealers in common with her own, the right to prosecute their calling in the North Pacific Ocean and Behring Sea.

So keenly do I realize the advantage that must accrue to all parties concerned from a settlement of this question, that I venture to make one more appeal to your Excellency. I understood from you yesterday that the United States and Russia had definitively refused to entertain the proposal to increase their offer to 35 per cent. I further gathered that the question of 30 per cent was not raised. Assuming that they were to agree to give 30 per cent, could not your Excellency, in that event, reconsider our verbal proposition to divide this 30 per cent equally, both in respect of the American and Russian contributions, we to receive, in addition, 15 per cent from Japan. Only 2½ per cent separates us as regards the United States herd. Is there no way in which this small gulf might be bridged? If your Excellency saw any object in doing so, could not we have a further conversation on the subject between now and Monday? I shall be at the Arlington to-day and to-morrow, and should be only too glad to wait upon your Excellency at any hour that may suit your convenience.

I trust your Excellency will understand my motive in making this suggestion. I realize that the time is favourable for the final laying to rest of this troublesome question, which will not grow easier of solution with the lapse of years. If we separate now without reaching a conclusion, I see small hope of effecting one at any subsequent period, and the controversy will drag on to the annoyance and loss of all concerned, until the final disappearance of the seal herds shall render further consideration of the subject necessary.

Believe me etc.

JOSEPH POPE

[SUB-ENCLOSURE]

Memorandum by Canadian Delegate

PROSPECTIVE VALUE OF JAPANESE ROOKERIES

By actual count there were upwards of 6,000 seals on Robben Island in 1910. To this number should be added the yearlings of both sexes which seldom resort to the land. Without reckoning these, at the accepted rate of increase (16 per cent) there should be at the end of fifteen years 47,844 seals upon Robben Island, as the following table shows:

1st year	6,000	9th year	19,663
2nd "	6,960	10th "	22,809
3rd "	8,073	11th "	26,458
4th "	9,364	12th "	30,691
5th "	10,862	13th "	35,591
6th "	12,599	14th "	41,245
7th "	14,614	15th "	47,844
8th "	16,951		

Assuming that only 5 per cent of this number is killable, at least, 2,000 skins could be taken annually.

Robben reef has an estimated length of 1,960 feet, and an average breadth of 235 feet, or an area of approximately 460,000 square feet. Allowing ten square feet for each animal, it would accommodate 46,000 seals. The aggregate kill for two seasons has exceeded this.

Owing chiefly to excessive raiding, these numbers have greatly decreased but that the herd is rapidly reviving is shown by figures recently supplied by the Japanese Government, which indicate that in the last five years the seals have increased at a rate which bids fair to realize the calculations given above. We are justified by many reasons in assuming this. Notwithstanding the destructive raids of which mention has been made, the lessees of the islands took on an average 2,291 seals during the eighteen years covered by their lease. It would seem only reasonable that a greater annual yield should be looked for when the possibility of raiding is removed. It must not be forgotten also, that when, after a sufficient period of recuperation, Robben reef shall have become over-populated, the Kurile Islands, through which the herd passes to and from its winter quarters, can supply rookery grounds for the overflow as they have done in the past.

While seals are assumed to return instinctively to the place of their birth, experiments made on the Pribilof Islands show that this is not always the case. Seals branded on St. Paul Island were found the next year on St. George Island, forty miles away. The necessity of going ashore for breeding purposes will certainly compel the surplus seals from Robben Island to haul out at suit-

able places on the Kurile Islands, where, according to Stejneger, as many as 25,000 seals have been seen at once. The inherited instincts of the young seals will, as gregarious animals, take them to the hauling grounds to which breeding seals resort. It is confidently submitted that these facts and figures demonstrate Robben Island to be a valuable rookery, capable of affording a rich harvest of skins.

JOSEPH POPE

[ENCLOSURE 2]

Ambassador of Japan in United States to Canadian Delegate

Washington, June 11, 1911

Dear Mr. Pope,

I have duly received your letter of yesterday's date and I have carefully considered the situation as has been presented thereby.

While I yield to no one in the anxiety of reaching an agreement on what made us assemble in conference, I do not feel encouraged that our further conversation at this stage will bring much help towards the attainment of the end we have been labouring for.

In your suggestion I fail to see anything that may make us particularly easier in removing the difficulty we felt so much at our meeting of last Wednesday. Only fair chance, as I thought, for opening a way for favourable turn of the situation was in our co-operation with a view to persuading our American and Russian colleagues for further reasonable concession. My suggestion has, however, failed to have the good fortune of meeting the approval of your colleague, His Excellency Mr. Bryce, who desired to stand solely on the basis of the concurrent propositions of the United States and Russia. I was thus left with no choice but to approach singly, as I did with your knowledge, our American and Russian colleagues with the result which I informed you last Friday.

Under the circumstances, I am no longer quite in a position as you may easily understand to give countenance to the suggestion of again asking the American and Russian colleagues for their concession. I feel, therefore, persuaded that the possibly wisest course for us to follow at this stage of the question is to acquiesce to the American and Russian suggestion to adjourn the Conference until such opportune moment as hereafter may arrive and to leave in the meantime further negotiations on the subject to ordinary diplomatic channels.

As regards your statement about our Robben herd, we have already fully explained to you the result of our careful observation and study, and I do not wish at this moment to renew our controversy over the facts so clear and evident to me.

I am etc.

Y. UCHIDA

687. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Washington, June 12, 1911

Sir,

I enclose copy of the fifth and sixth Protocols.[1] The positive statement of Mr. Botkine on the last page of the fifth Protocol denying Canada's right to receive compensation from Russia, and stating that the Russian delegates could not consider any suggestion based upon that principle, is amusing when read in connection with his proposal on the first page of the sixth Protocol to give 25 per cent of the Russian catch to be divided between *Canada* and Japan.

The seventh meeting of the Conference was held this morning. Before the meeting Mr. Anderson saw me (having previously seen Mr. Bryce) and had a long talk in which he manifested much anxiety as to the situation. He said Mr. Nagel and himself were going to see the President about it, in order that they might obtain authority to revise their terms so as, if possible, to induce Japan to come to a settlement. I told him that Canada was desirous of closing up the matter, that we had been entirely reasonable throughout, that the fault lay with the United States in their handling of Japan. He was very friendly. The Conference having met, the Japanese and we each read a short formal report announcing the failure of our negotiations, after which there was dead silence. Mr. Nagel, the Chairman, pressed to be informed of the cause of failure. Mr. Bryce stated that though we saw no objection to telling all that had passed, he could not, without the consent of the Japanese Ambassador, make any further statement, and the Japanese Ambassador would not consent, doggedly affirming that as the Russian and American offers were rejected, it devolved upon these powers to make fresh proposals. Mr. Nagel replied that the United States were surely entitled to be informed of the cause of failure in order that they might know in what manner they could amend their proposals, but the Japanese would not budge, and this sort of fencing went on for some time, which is somewhat strange, as the Americans knew perfectly well, both from us and from the Japanese privately, exactly how matters stand. The United States appeared exceedingly loath to give up the case, Mr. Nagel (a Cabinet Minister) going so far as to say that the failure of this Conference might have a serious effect in other quarters, a contingency which he contemplated with grave concern. Mr. Bryce and I then took the Japanese into another room and urged them to state to the Conference the reason of the failure, but with no success. The Japanese Ambassador repeated that they had rejected the American proposals, and that the duty now devolved upon the latter to make fresh ones. It was then nearly two o'clock, and it was resolved that the Conference should re-assemble at half-past three. When 3.30 arrived I was on the way to my seat, when Mr. Chandler Anderson told me that they had considered that it would be better to devote the whole afternoon to the Japanese in private conference, and that the general Conference would meet on Thursday, either to receive the announcement of failure, or to put an agreement through as a result of their negotia-

[1] Not printed.

tions. The delay until Thursday is rendered necessary by the enforced absence of Mr. Bryce from town on Tuesday and Wednesday, which is unfortunate but cannot be helped.

Acting on your telegram of the 1st instant, to the effect that our Government would not stand on the exact percentage of compensation to be received, so long as our principle was acknowledged, I have intimated more than once that, while we could not take less from three powers than we were promised by one, we would not ask for much, if any, more, and it is practically understood by the United States that we are ready to give up one-quarter of what the United States are going to give us, provided it is made up by contributions from Russia and Japan. This, while a sound position, might involve our taking less than Japan. For instance: supposing we agreed formally to take 15 per cent from each power, and assuming that Japan were to succeed in screwing 20 per cent out of the United States and Russia, such a course might be interpreted by critics of the Government that we had been outgeneraled. I think myself that 15 per cent all round would be a splendid bargain, irrespective of any arrangement that Japan might come to. Messrs. Found and Macoun agree in this. Mr. Found is returning to Ottawa, as I think he would now be more useful at that end of the line than this. He thoroughly understands the position and will lay the question before you. My opinion is that 15 per cent all round should not be refused. According to Mr. Macoun's figures, at the end of fifteen years it would net us between a quarter and a half million of dollars annually, in return for nothing. Any argument based on the fact that we had taken less than Japan, could be met completely by showing that Japan is free from restrictions as to area, seasons, and weapons by which we are bound by the Paris Award, and therefore that she ought to have more.

I await the result of the American-Japanese conference of this afternoon. If they fail, it is all over, but if they come to terms it may be that I shall be called upon to decide whether we will agree to accept less than the Japanese from Russia and the United States.

I think we should take 15 per cent all round, no matter what the Japanese may succeed in securing. If necessary I will telegraph for authority to accept this. I do not doubt that this is the proper course, for while I do not like the idea of Japan getting more than us, I consider that we should not reject a good offer simply because the Japanese have succeeded in extorting a better one at the point of the bayonet. We have all along taken the ground that provided our principle is acknowledged, we are disposed to be reasonable, and our action in refusing to take advantage of the difficulties and embarrassments of the United States at the present moment would be evidence of a neighbourly spirit that might stand us in good stead with them on other occasions, besides finally setting at rest this vexed question on terms highly advantageous to Canada. It must not be forgotten that this arrangement, if successful, will in all probability be permanent, and an annual income at no cost to us, of a quarter of a million dollars is not lightly to be rejected.

I have etc. JOSEPH POPE

688. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Sir, Washington, June 18, 1911

Since I wrote you on the 12th instant, the United States and Russia have raised their contributions to 30 per cent, and Japan will give 30 per cent as well. Japan has agreed to divide the United States contribution equally with us—15 per cent each. They stand out, however, for 20 per cent from Russia, leaving us 10 per cent. The United States and Russia also want 10 per cent each from Japan's contribution of 30 per cent, leaving us 10 per cent. We wanted 15 per cent, but the United States and Russia presented such cogent reasons for asking this, and 5 per cent of the Japanese herd is so small, that we cannot refuse to take 10 per cent. The United States say they don't care anything about this 10 per cent from a financial point of view, but it looks well on paper and will make it easier for them to get any arrangement that may be come to through their Senate, which is quite true.

The real difficulty is over the division between us and Japan of the Russian contribution. They began by claiming the whole 30 per cent. Then they agreed to let us have 5 per cent. Then they came up to 10 per cent, but so far we cannot get them past that. They urge (and with force) that they do far more damage to the Russian herd than we do. Mr. Bryce is very strong on our getting an equal division. He argued with the Japanese Ambassador, forcibly, almost sharply, that if we shared the United States contribution with them, they should share the Russian one with us. He pressed home the fairness of our claim on them, and when he told them the responsibility of failure of the Conference would be laid at their door, they fairly winced. We are to meet them again to-morrow and I think they will give in. Even if they do not, I am of opinion that rather than confess failure, we might in the last extremity give way ourselves. Japan has already come down a lot, and while we have come down too, it is mostly on paper. We have forced an acknowledgment of our principle all round and got a substantial percentage besides. Fifteen per cent from the United States herd, which is more than three times the size of the other two put together, is very good in itself. The 20 per cent we were originally promised by the United States was contingent on making the larger arrangement. So I think that 15 per cent from the United States, and 10 per cent from each of the others, is an excellent bargain for us, if we cannot do better, which I think we can. The United States last week cabled the Japanese Government direct, protesting against the uncompromising attitude of the Japanese Ambassador. We are trying the same game through the Foreign Office. I hope with like result.

I asked you in my telegram of to-day, copy of which I enclose,[1] to wire me authority to accept an equal division with Japan, of the United States and Russian contribution. I do not want anything further, unless Japan is obstinate, when I will ask authority to take 10 per cent from Russia. I do not doubt it is the right thing to do.

[1] Not printed.

Mr. Anderson told me on Friday that he thought in giving up a quarter of the 20 per cent the United States had agreed to pay us, Canada showed a generous spirit and a genuine desire to facilitate the coming to an arrangement, which his Government greatly appreciated.

Mr. Bryce has fought hard for us on this question of percentages, and his resolute attitude has greatly strengthened our hands all round, particularly with the Japanese.

I very much hope that we are nearing the end of this long negotiation.

I have etc.

JOSEPH POPE

689. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Sir, Washington, June 20, 1911

I am in receipt of your telegram of the 19th as follows: "Conclude arrangement on basis of equal division of United States and Russian contribution between us and Japan." This is exactly what I want for immediate use.

The Japanese made no sign yesterday, nor did we, as we did not wish to appear over anxious. Meanwhile Mr. Chandler Anderson is the intermediary between the two, and I understand that he has arranged that we are to meet the Japanese this morning, that is within the next hour or two. Mr. Bryce is very resolute in standing out for equal treatment with Japan, and will not at present hear of any weakening on our part. I quite agree with his attitude. At the same time I feel it would be folly to lose the treaty for the sake of 5 per cent of the Russian herd. 15 per cent all round is an excellent bargain. 15 per cent from the United States with 10 per cent from Russia and Japan, though not so good, is still good, and better than we can ever hope to get in the future, because pelagic sealing is rapidly decreasing. Not only is the bargain good in itself, but it is most easily defended. The Government can reply to its critics: "We have extorted an acknowledgment of our governing principle from all three powers, and while we give up 5 per cent of the United States herd, we have got in return 10 per cent from each of the other herds." While this is not a present equivalent, it sounds well, and would obtain more *kudos* for the Government than failure to negotiate a treaty would, because in the latter case we should appear not as standing out for any principle, but merely for a few more sealskins. Nobody was more resolute than I in demanding recognition of our principle, but that having been gained, I am equally strong in thinking that we might, in turn, abate a little of our claim rather than confess failure. Mr. Chandler Anderson told Mr. Bryce yesterday that the Japanese argued that the 5 per cent extra Russia is putting up, is intended for them, and not for Canada. This suggests a possible compromise. We might agree to divide Russia's original 25 per cent on the basis of 12½ per cent each, and then say that if Russia chose to give 5 per cent bonus to Japan she is at liberty to do so, thus splitting the difference between 15 per cent and 10 per cent. The difference would then be narrowed down to

2½ per cent, which does not seem worth breaking up over. I will wire you this afternoon the result of our morning's encounter with the Japanese, and, if necessary, follow it up by a request for authority to take 10 per cent from Russia, if it is evidently impossible to get any more.

I have etc.

JOSEPH POPE

690. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Sir, Washington, June 20, 1911

I telegraphed you to-day as follows: "Japanese have referred question respecting division Russian contribution to their Government. Outlook hopeful."

I have just returned from a private conference with the Japanese Ambassador. There were three of us, Mr. Bryce, Baron Uchida, and myself. At the beginning of the conversation I read your telegram authorizing me to conclude an arrangement on the basis of an equal division, and represented that these were my instructions beyond which I could not go. Mr. Bryce took a very firm attitude with the Japanese Ambassador, the effect of which was noticeable. His dogged attitude of a week ago was changed to one of manifest uneasiness. I fancy he is tied tightly by his instructions, and that he really has no power to vary them. After going over the familiar arguments on both sides, Baron Uchida finally proposed that the matter be referred to our respective Governments, apparently in order to relieve himself of further responsibility. We promptly agreed to this, and cables are being despatched to London and Tokio. I think I told you that Mr. Bryce had in a measure anticipated this course last Sunday. Mr. Anderson, to whom we reported the result of our interview, is now sanguine of a successful issue. You may remember that when, last week, the United States prevailed on the Japanese Ambassador to cable to his Government, the result was that he made his first concession to the United States by agreeing to accept 15 per cent instead of 17½ per cent. If this move fails of further success, it will then devolve upon us to consider whether we can see our way to come down to accepting 10 per cent of the Russian catch. In recommending that we do this, in the last resort, I am acting on my own responsibility, supported by Mr. Macoun's judgment. Mr. Bryce is, so far, averse to our yielding, partly, I take it, on the ground that it might be regarded in some respects as a diplomatic check, and partly because he might be accused of sacrificing the interests of Canada. I am unable to view the matter in either light. When we came down here, Messrs. Macoun, Found, and I were discussing privately among ourselves the expediency of taking anything from Russia and Japan that would acknowledge our principle, even 5 per cent, and wait five years for it, if we could not do any better. Now the least we are going to get is 10 per cent from each of these powers right off, and while this would involve a slight recession on our part from our present attitude, we have to consider the fact, as I have stated in previous letters, that

Japan has already come down more than once on the question of percentages, not to speak of the complete backdown of the United States and Russia (whatever they may *say* to the contrary), on the question of principle.

I have etc.

JOSEPH POPE

691. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Washington, June 23, 1911

Sir,

The Ambassador has heard from London to the effect that the Japanese Government have been communicated with, urging them to instruct their delegates at Washington to agree to an equal division with Canada. The Japanese Government have replied to His Majesty's Ambassador at Tokio, using much the same arguments as are employed by their Ambassador here—that they have more interest in pelagic sealing than Canada and cannot, therefore, divide the Russian catch equally with us, &c., &c. This was the view of the Japanese Minister of Foreign Affairs, but was not quite absolute, because the despatch ended by saying that the Foreign Minister was going to consult the Minister of Commerce further on the subject. On telling me of this, Mr. Bryce concurred with me in thinking that the time had come when we might seek instructions from Ottawa as to whether in the last resort we should accept 10 per cent of the Russian catch. We thereupon drafted the telegram which I sent you to-day, and which reads as follows:

> His Majesty's Government have communicated with Japanese Government regarding present position of negotiations but latter seem unwilling to abate their demand of 20 per cent of Russian catch as well as 15 per cent of American. Should Japanese persist in this demand please consider whether you wish British delegates to accept 10 per cent from Russia or would prefer that Conference should be broken up. Will telegraph again when crisis arises.

I presume to-morrow we shall hear from the Japanese. I doubt whether they will recede from their position. On receipt of a wire from me, I would ask you to telegraph the decision of the Government on the subject. I have already acquainted you with the reasons which lead me to consider that in the interests of Canada we should agree to this division rather than to allow this controversy to drag on for years to come. The substantial recognition by all three powers of Canada's claim to compensation is in itself no small victory, and an annual contribution of $200,000 or so to the Dominion treasury, will be the best proof that it is not an empty one.

I have etc.

JOSEPH POPE

692. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Sir, Washington, June 25, 1911

I have only just time before the mail goes out to enclose (1) copy of a telegram[1] I sent you this afternoon and (2) copy of a telegraphic despatch which Mr. Bryce and I are sending to the Governor General. Mr. Bryce wishes authority to sign in the form of a Minute of Council and thinks the request should go in this official manner.

We have gained an unexpected victory over Japan, but there are troubles ahead. The United States are now disposed to insist upon their Proposals 4 and 8.[2] You will find them in our Confidential Print Behring Sea No. 21, page 31. Mr. Found is familiar with the whole question. We have already stated our views in regard to them in the Minute of Council of the 10th May, 1911. See our Behring Sea Confidential Print No. 22, pp. 40 and 41.

I would suggest the immediate passage of a Minute of Council authorizing us to accept an equal division with Japan, i.e. fifteen per cent from the United States and Russia, and 10 per cent from Japan. As regards United States Propositions 4 and 8, I would refer to the Order in Council of the 10th May, repeating that as regards Clause 4, we are quite ready to accept it, provided it be limited to the North Pacific Ocean. That as regards Clause 8 we cannot see that it affects any power but Uruguay whose rookeries are leased to an English company, who have no pelagic sealers, and who are not likely to allow any foreign sealers to use their flag in the North Pacific which is what the United States profess to be afraid of. I do not see how we can accept this clause without doing violence to our principle, and inflicting an injury to the Nova Scotia sealers who seal in the South Atlantic and have taken this season several thousand seals. At the same time I feel our attitude should be very conciliatory for we have carried all our points, and if some way could be found to get the Nova Scotia sealers out of the way, I should be very glad. It is very doubtful, however, even if Canada were agreeable, whether Imperial interests in the Southern Seas (New Zealand) would permit Great Britain to accept this clause. I shall know more after to-morrow's conference. Please excuse my great haste.

I have etc.

JOSEPH POPE

693. *British Delegates to Governor General*

TELEGRAM[3] Washington, June 25, 1911

Japanese Government have just informed United States Government that they agree to equal division with Canada of thirty per cent of Russian land catch, fifteen per cent to each. Understand that your Excellency's Ministers

[1] Not printed.
[2] See Document 667, Sub-enclosure 2.
[3] Text as provided in a confirmatory message from Washington.

approve of our settling on this basis with other three powers. Assuming this question disposed of, United States Government now anxious to reach agreement on their other proposals all of which are accepted by Russia and Japan. We told them His Majesty's Government not prepared to decide proposals four and eight but they press for our views on these two points arguing that present agreement will be criticized or rejected by Senate unless it provides security against pelagic sealing under flags of other powers. They say that if settlement on these points stand over beyond present year whole scheme may fall through because they and Russia could not undertake to give thirty per cent each if herds diminish further. We have asked them if they would be satisfied with their proposal four so modified as to apply only to seal skins taken in North Pacific or to skins of North Pacific species, and gather they would accept this which would avoid objections from Nova Scotia. United States Government desire some provision similar to their proposal number eight protecting herd belonging to any power such as Uruguay, which may hereafter adhere, on condition of her forbidding use of her flag for pelagic sealing, but have been told His Majesty's Government are not prepared to decide on this at present, and understand this to be view of your Excellency's Government. Should be glad of full statement of your views. United States suggest that Conference should be closed with signature by four powers of treaty modifying recent treaty of seventh February, 1911, between His Majesty and United States in points varied by new arrangement due to entrance of Russia and Japan, leaving rest of that treaty to stand so far as not superseded by these arrangements. Russians impatient to finish Conference this week. Should be glad of reply at earliest possible moment.

BRYCE
POPE

694. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Washington, June 26, 1911

Sir,

I telegraphed you to-day as follows:

> Satisfactory meeting of Conference to-day. Proposition 8 will probably be struck out and 4 qualified to suit us. Japanese suggest several minor amendments to some other clauses which are unobjectionable. End in sight.

At to-day's meeting of the Conference a statement was read by the United States delegates announcing that an agreement had been come to by the four powers respecting the division of the various contributions by the rookery-owning nations on the following basis:

Canada and Japan each to receive 15 per cent of the United States contribution.

Canada and Japan each to receive 15 per cent of the Russian contribution.

Canada, United States, and Russia each to receive 10 per cent of the Japanese contribution.

The United States propositions alluded to in my last letter, and which will be found in Protocol I of the 11th May, and also in our Confidential

Print, Behring Sea, No. 21, page 31, were then taken up, and the Japanese Ambassador reviewed them, making the following suggestions in respect thereto:

No. 1. For the reason that the Japanese herd sometimes goes south of 35° of north latitude, he asked that the southern limit of the area might be lowered to 30°. The request is reasonable, and there can be no possible objection to it.

No. 6. He asked that Clause 6 might specially exempt by name, in addition to Indians, *Ainos,* to which the Russians added *Aleuts.* No objection.

No. 11. He suggested that the words: "outside territorial waters" be omitted from 11, which, inasmuch as they limit the rookery-owning powers, is advantageous to us, who are only to share *in land killing.*

No. 12. He proposed that the period of the treaty be fixed at fifteen years (which is the period of our treaty with the United States) and thereafter until a meeting of the Conference is called at the instance of any power, who may wish to withdraw. This is a reasonable provision, and a protection against arbitrary or hasty and ill-considered action on the part of any power. It merely regulates procedure. After the expiration of fifteen years we can always withdraw. I don't expect we shall ever want to withdraw as long as the rookery-owning powers continue to pay us 15 per cent of their gross take. But in any case I see no objection to this provision.

Mr. Bryce is cabling London and, I think, Ottawa, with reference to these proposed changes which are all trivial. I feel sure that Canada will not object to any of them.

No. 8. As regards Clause 8, the Japanese did our work for us. They objected to it on the ground of its sweep and vagueness, and asked that it be eliminated. The United States, who appear afraid of the Japanese, while reserving their decision seemed disposed to agree.

No. 4. We then brought up No. 4, and the United States again showed their amiability by half agreeing to accept on the spot our limitation of its provisions to the North Pacific Ocean.

Understanding the difficulty of getting Cabinet meetings together at this time of the year, I would ask you if you see no objection to these various amendments, that you would telegraph me as soon as possible after the receipt of this, your authority to accept the amendments mentioned in this letter relating to United States Propositions Nos. 1, 6, 8, 11 and 12, and it might save time, if you thought well to do so, to authorize me to agree to any minor regulation that does not affect the principles underlying this settlement. The formal Minute of Council can follow.

Our Privy Council Minute of the 10th May, 1911, asks for the elimination of Clause 8 and the amendment of Clause 4, and should I think be sufficient to meet these cases. If I am empowered as above indicated, I am in hopes that a very few days more will see the end of these long (though I am glad to think, not unsuccessful) negotiations.

I have etc. JOSEPH POPE

695. *Governor General to Ambassador in United States*

PARAPHRASE OF TELEGRAM Ottawa, June 28, 1911

SECRET. Canadian Government approve division of land catch agreed to on 26th instant, as stated in your despatch to Foreign Office of that date.

Canadian Government agree also to proposals of United States, as varied in terms of your despatch, understanding proposal four will be amended so that prohibition will apply only to skins taken in North Pacific, or from seals of that species.

Canadian Government do not object to omitting the words "outside territorial waters" from proposal eleven; but would as soon retain them.

Canadian Government are willing to include sea otters, but if proposal eleven is accepted without words "outside territorial waters," and it applies to otters, how are any to be taken or any compensation given for abandoning otter hunting?

GREY

696. *Canadian Delegate to Secretary of State for External Affairs*

TELEGRAM Washington, June 29, 1911

Last sentence Governor General's telegram to Ambassador. Hope our Government do not propose to require compensation for abandonment otter hunting. No chance of getting this. Otter not truly pelagic animal. See British Commissioners' Report paragraphs 461 to 465. Canadian pelagic otter catch must be extremely small. In any case how could basis compensation be arrived at. Trust such claim will not be pressed. Ambassador hopes to wire text draft treaty to Governor General this evening.

POPE

697. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Sir, Washington, June 30, 1911

The United States officials who have been engaged in drafting our treaty sent only one copy to the Embassy last night, which copy I managed to secure and post to you.

The Conference met this morning when the treaty was taken up clause by clause and agreed to. Some slight amendments were made, most of them verbal, and unimportant. The principal of these are as follows:

Article IV. The words "foregoing provisions" in the first line, is changed to read "provisions of this Conference," for obvious reasons.

Article XII. Last paragraph, third line, between words "above" and "may" is inserted: "and all killing of seals except such as may be necessary for the support of natives on the islands."

Article XIII. Last paragraph. The gaps are filled in to read six thousand five hundred.

Article XIV. This Article is added at the request of the United States to make the treaty more symmetrical. There never have been any rookeries on our coasts, and it is extremely unlikely that we shall ever have any unless they are planted there but if at any time we were so fortunate as to possess rookeries, I am sure the Government would not object to contribute 30 per cent towards their protection, as the other rookery-owning powers have done. In regard to this article, before the treaty is signed I am going to ask that after the word "season" in the third line, there be inserted the words "during the term of this Convention." As a matter of fact this Article is merely put in to help things in the United States Senate, and really amounts to nothing.

Article XVI is changed in the manner indicated in the revise, copy of which I enclose. We desired that the Convention should take effect from the 1st January, 1912, but the Japanese asked that it should become effective two weeks earlier because their sealers leave for the sealing grounds in December and they wished to be in a position to issue the necessary proclamations in good time so as to offer pelagic sealers no excuse.

The formal Article XVII is also added.

The treaty is now ready for signature with the single exception of Article V, which, as I telegraphed you to-day, I can have struck out if the Government think that so doing would not be inconsistent with the Minute of Council of the 10th May, 1911, which you will find on pages 40-41 of the Confidential Print Behring Sea, No. 22. Since the Conference met to-day the Ambassador received a telegram from the Foreign Office to the effect that the Imperial Government have no objection to this article, which for the reasons indicated in the aforesaid Minute of Council I think it would be well to allow to stand, but, inasmuch as there are very few sea otters caught outside the territorial limits, the matter is of no great importance. If I get a telegram from you to that effect I will ask that the Article be struck out.

We are extremely anxious to wind up this matter, and we only await your answer to sign the treaty. If it comes to-night or to-morrow I see no reason why we should not sign to-morrow, and get away on Monday, but if we do not sign until Monday, I am afraid I shall have to wait until Wednesday, as travel on Tuesday, the 4th July, would be almost impossible.

I have etc.

JOSEPH POPE

698. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Washington, July 4, 1911

Sir,

I received your telegram yesterday as follows:

> Revised text of treaty received. Consider terms satisfactory and authorize its signature.

I telegraphed you to-day as under:

> Everybody here in full agreement. Russians have signed and gone. Delay due now to hesitation Foreign Office to sanction Article III which is vital. This is probably due instance of the Board of Trade and is the more exasperating in that virtually the same provision is in the treaty of 7th February. Ambassador doing everything he can to expedite matters but in addition I suggest that Lord Grey be asked to send urgent personal cable to Foreign Minister pointing out that loss of treaty through action Imperial authorities would be resented in Canada whose Government consider treaty satisfactory and desire immediate conclusion.

Yesterday things came to a crisis as far as the Russians were concerned. Mr. Botkine, the chief Russian delegate, has been chafing over the delay for some time. He is the Russian Minister to Morocco, and the bad news from there has been troubling him. The hot weather has got on his nerves. Certain recent attacks on him and on the sealing arrangement which appeared in Russian newspapers have been cabled here and added to his discomfort. Altogether he was so irritated that he threatened to leave without signing. In these circumstances it was thought well to call a meeting of the Conference yesterday late afternoon, when Mr. Botkine and his associates signed the treaty in quadruplicate (in advance of the other powers) and left Washington the same night. We are still waiting on the Foreign Office whose delays are most provoking. The provisions of Article III excluding non-authenticated seal skins from the ports of the country, have been before them for days, and in any case, virtually the same provisions were agreed to in the treaty of February last, which was approved by them. Mr. Bryce sent the Foreign Office a very strong telegram this morning and also one privately to Sir Edward Grey, and I am in hopes that the Ambassador will receive the necessary authority within the next day or two.

I do not know whether Lord Grey is in Ottawa or not, or if my suggestion that he should cable Sir Edward Grey is practicable. I made it, because in cases of this kind one feels like having resort to every possible expedient. I have packed up to-day, and only await word from London to sign this treaty and take my departure.

Before leaving Ottawa I saw Mr. Fielding with reference to the proposal of the United States to extend the prohibition of pelagic sealing to the South Seas, where a large number of Nova Scotians engage in sealing. This proposal took form in the United States Proposition No. 8, which we finally succeeded in eliminating. Mr. Fielding wrote me to say that if I wanted information at first hand about the South Sea sealing operations, to apply to Mr. Murray, the Premier of Nova Scotia, who would send me a man. When the question

became acute about ten days ago, I telegraphed Mr. Murray and he sent me Captain Matthew Ryan who has just returned from the South Seas. . . .

I have etc.

JOSEPH POPE

699. *Canadian Delegate to Secretary of State for External Affairs*

CONFIDENTIAL DESPATCH

Washington, July 5, 1911

Sir,

I telegraphed you to-day as follows:

> Foreign Office insist on amendment to Article III which United States positively refuses to accept, and state Russian delegate will agree to no change. Would you cable Imperial Government that Canada regards treaty satisfactory, and would deprecate any change, also send me telegram to same effect. Unless prompt measures are taken treaty may be lost. Russians nervous over newspaper criticisms and would welcome any pretext to get out.

The Ambassador received a telegram from the Foreign Office this morning authorizing us to sign the treaty with the omission of the following words from Article III:

> and no seal skins identified as the species known as *Callorhinus alascanus, Callorhinus ursinus,* and *Callorhinus kurilensis.*

These words are of no importance in themselves. They are merely another way of saying the seals of the North Pacific Ocean, and the clause is redundant. It was put in by the United States to gratify the vanity of their experts who, years ago, when the United States claimed that the Pribilof Islands herd was distinct from every other, created these distinctions, calling the United States seals *Alascanus,* the Russian, *Ursinus,* and the Japanese *Kurilensis.* These seals are all of the genus *Callorhinus,* and the differences between them are largely imaginary. The *Callorhinus,* and only the *Callorhinus,* is found in the North Pacific Ocean and nowhere else in the world. The person who drafted the Foreign Office telegram evidently does not know this, and appears to consider the seals enumerated in the objectionable phrase, as being *in addition to* the ordinary seals found in the North Pacific Ocean.

It is true the despatch goes on to say that His Majesty's Customs could not undertake to distinguish between imported seal skins, that those from the North Pacific Ocean and those from the Southern Seas are so alike that only an expert could tell them apart. If they want to eliminate the principle of discrimination, they must cut out the whole article, which is equally discriminatory without the objectionable words. The North Pacific seal is one genus—the South Pacific seal is another. They never come into each other's waters and are absolutely distinct. All our experts tell us this, and further that the skins of the South Sea seals are readily distinguishable from those taken in the North Pacific Ocean. This point is vital. Pelagic sealers of countries other than the four parties to this convention are still free to seal in the North Pacific Ocean, and if there were no means to checkmate them, there would be no object in this treaty. This means is to be found in prohibiting the entry into British ports of any North Pacific Ocean skins other than those taken under the authority of one of the four powers making this agree-

ment, thus cutting out those skins caught pelagically. I should add that London is the only place where these seal skins are dyed, and if they are shut out of London, there would be no object in capturing them.

The rookery-owning powers cannot therefore surrender this point, and if His Majesty's Government will not undertake to discriminate between seal skins coming into the port of London, the treaty is at an end. The United States will not even consent to the omission of the words objected to, which in themselves add nothing, in my judgment, to the force of the article. They say they assured the Russians (who signed the treaty before leaving) that there would be no changes in the text, and Mr. Chandler Anderson told me privately that the Russians are so alarmed over the adverse criticisms of their press that they would seize on any pretext to throw the treaty over. The reasons which animate the Russian press are the very ones that should appeal to us *to secure the treaty*. Moreover, if we begin opening things up, the Japanese may have suggestions of their own, and we shall never reach finality.

The Ambassador is doing everything he can to induce the Foreign Office to approve the treaty as it stands. The truth is I am afraid the Foreign Office do not understand the subject, for, as I have said, the mere omission of the words they take exception to, would not remove the objection they seem to entertain to engaging to discriminate between seal skins entering the port of London, and this is essential.

I have just received your telegram of to-day: "Governor General inaccessible. Away fishing. Must therefore rely on the Ambassador. Do not leave until matter concluded."

I will stick to the job, but I greatly fear that unless the Ambassador can persuade the Foreign Office to take a reasonable view of the position, all our work will go for nothing. It is not reasonable on our part to expect the Russians to agree to changes made in their absence after they have signed on the understanding that the document was final, nor to think that the United States, having got these useless words in, will consent to their omission at the bidding of the Foreign Office. Mr. Bryce thinks that the Board of Trade are at the bottom of the trouble.

I have etc. JOSEPH POPE

700. *Secretary of State for External Affairs to Colonial Secretary*

TELEGRAM Ottawa, July 6, 1911

In the absence of the Governor General and Deputy Governor General all Ministers here request me to urge that proposed amendment to Article III, Pelagic Sealing Treaty, be dropped. Treaty as it stands satisfactory to Canadian Government and to fur-workers in Canada. Canadian representative at Conference advises that unless prompt action taken treaty will be lost as United States opposed to amendment and Russian delegate anxious to withdraw owing to adverse criticism in newspapers.

MURPHY

701. *Canadian Delegate to Secretary of State for External Affairs*

TELEGRAM Washington, July 7, 1911

Treaty[1] signed to-day. Leaving for Ottawa at once.

JOSEPH POPE

702. *Canadian Delegate to Secretary of State for External Affairs*

Sir, Ottawa, July 11, 1911

I enclose copy of the VII, VIII, IX, X and XI Protocols[2] of the Pelagic Sealing Conference.

During the continuance of the informal negotiations between the delegations, the experts of the various countries met together to discuss proposals for an international game law. The result of their deliberations was submitted to the Conference on the 3rd instant in the form of a memorandum embodying certain tentative recommendations relative to the protection of marine animals and plumage birds.

The Conference agreed that this memorandum should be inserted in the Protocol of that day and should be referred to each Government for further consideration and for such action as should be deemed appropriate. The Conference then adjourned pending the receipt by the British delegation of the necessary authority to sign the Treaty.

On Thursday last the 6th instant the Ambassador received a telegram from the Secretary of State for Foreign Affairs to the effect that His Majesty's Government, in view of the considerations urged upon them, consented, "with great reluctance," to authorize the British Plenipotentiaries to sign the Treaty *quoad* the United Kingdom and Canada. Sir Edward Grey added, however, that His Majesty's Government could not undertake to bind the other self-governing Dominions in respect of the words in Article III, "and no seal skins identified as the species known as *Callorhinus alascanus, Callorhinus ursinus* and *Callorhinus kurilensis*," because their consent had not been obtained. Immediate steps were being taken to obtain the consent of these Dominions (Australia, New Zealand and South Africa), but in the meantime they must be held exempt from the operation of these words.

This attitude of the Foreign Office is based upon a misapprehension of the facts of the case. The scientific terms mentioned above relate to one and the same species of seal—that of *Callorhinus,* which is not found elsewhere than in the North Pacific Ocean, being sharply differentiated from seals taken in the southern hemisphere, (known as *Arctocephalus Australis*) with which Australia, New Zealand and South Africa are alone concerned.

The Ambassador at once acquainted the United States delegation with the nature of our instructions, and it was agreed that we should sign the Treaty

[1] The text is printed in *Treaties and Agreements affecting Canada in force between His Majesty and the United States of America with Subsidiary Documents, 1814-1925,* Ottawa, 1927, pp. 391-395.

[2] Not printed.

as it stood, and that the reservation as regards the other Dominions should be set out in notes.

On Friday the 7th we met, signed the Treaty and exchanged notes, copy of which I enclose. You will observe that the United States and Japan will await the unqualified acceptance by Great Britain of the whole Convention before proceeding with ratification. The Russian delegates had sailed some days before. So far, they have followed the lead of the United States in every particular.

Immediately after signing the Treaty I left Washington returning to Ottawa the following day.

The successful issue of these negotiations is largely due to His Majesty's Ambassador. While at the outset of the proceedings Mr. Bryce did not fully realize our position with regard to the Asiatic powers, as soon as our contention was made plain to him, he gave it his full support, and in our efforts for the recognition of Canada's claim to compensation from Russia, and subsequently, for an equal division of compensation with Japan, he exerted all the influence and resources of his high office in our behalf. . . .

Mr. Found brought to the subject an intimate acquaintance with the diplomatic and departmental history of the case, and I am indebted to him in equal degree for the extent and variety of his information, and for the willingness with which it was placed at my disposal.

Mr. Macoun's expert knowledge of the subject of seal life, derived from personal experience extending over many years of the seal islands of Behring Sea, was equally valuable. Like Mr. Found, Mr. Macoun lent his best efforts to promote the success of the common cause, and his services in support of the Canadian position were much appreciated both by His Excellency the Ambassador and by myself.

I must also commend the efficiency, industry and zeal of Mr. F. M. Baker, who acted as my private secretary.

I availed myself of the advantages of the technical knowledge of Mr. J. D. Allan of Toronto, representing the fur trade of Canada, as well as of Captain W. D. Byers, of Victoria, B.C., and Captain Matthew Ryan of North Sydney, N.S., two experienced sealers, from whom I derived some useful information.

I have etc.

JOSEPH POPE

703. *Canadian Delegate to Prime Minister*

CONFIDENTIAL

Ottawa, July 17, 1911

Dear Sir Wilfrid Laurier,

On my return from Washington, I duly made a report to the Secretary of State for External Affairs touching the Sealing Treaty, but there is one point in connection therewith, to which I desire to invite your special attention.

Thanks primarily to the good offices of His Majesty's Ambassador, we secured a satisfactory treaty—one highly advantageous to Canada.

The United States delegation originally desired the insertion of provisions therein which would have prejudicially affected our Nova Scotia sealers, who ply their vocation in the Southern Seas. We resisted this, and got the Treaty confined in its operation to the North Pacific Ocean. In order to protect the seals from pelagic hunters belonging to nations outside the four Contracting Parties, an Article (III) was inserted closing the ports of the four nations to sealskins *taken pelagically in the North Pacific Ocean.* Inasmuch as all sealskins have to go to London to be dyed, no pelagic sealers would go sealing in the North Pacific Ocean, if they were debarred from the London market. For convenience, I enclose a copy of Article III.[1]

The fur seal is of two distinct genera—that of the North Pacific Ocean, designated *Callorhinus*, and that of the southern hemisphere *Arctocephalus.* These seals are not merely of a different species, but a distinct genus. Their structure differs, and their skins are readily distinguishable by experts.

Apart from this broad distinction, minor differences are alleged to exist among the North Pacific seals which are composed of the United States herd, the Russian herd, and the Japanese herd. Years ago in Paris when we were fighting for the freedom of the sea, the United States sought to establish an individuality in their own herd, by differentiating the seals of which it is composed from those of the Russian and Japanese herds. These distinctions are largely imaginary, and in any event have no place in the present discussion, for our arrangement embraces all three herds. The main point is that all three belong to the genus *Callorhinus*, and thus, are radically distinct from the southern seal.

In Article III, the United States (with a view to gratifying their scientific experts) distinguished in the foregoing manner between what they term the various species of seal in the North Pacific Ocean, styling the Pribilof Islands seal *Callorhinus alascanus*, the Commander Islands seal *Callorhinus ursinus*, and the Robben Island seal *Callorhinus kurilensis.*

The Foreign Office took alarm at these portentous scientific terms, and cabled out that they could not agree to the following words in Article III: "and no sealskins identified as the species known as *Callorhinus alascanus*, *Callorhinus ursinus*, and *Callorhinus kurilensis.*"

Meanwhile the Russians had signed the Treaty in advance and sailed for home. The United States, in their absence, would not consent to the withdrawal of these words, and the whole business was in imminent danger of being wrecked. Fortunately, Mr. Bryce, by a series of urgent telegrams, obtained a reluctant permission from the Foreign Office to sign the Treaty, *quoad* the United Kingdom and Canada, but exempting the southern Dominions from the objectionable words, and we had to exchange Notes with the United States and Japan to that effect.

If I have succeeded in making myself clear, you will perceive that the words to which the Foreign Office take exception, relate only to the genus *Callorhinus,* and therefore, possess no interest for Australia, New Zealand

[1] Not printed.

and the Cape, whose seals belong to the genus *Arctocephalus*. The *Callorhinus* never goes south of 30° north latitude, the *Arctocephalus* never comes north of the equator.

I enclose a memorandum[1] from our scientific expert Mr. Macoun on these points, which indeed are not open to dispute. One could afford to laugh at the misapprehension, were it not that the Russians are already being attacked at home for giving too much to Canada. They signed the Treaty without enthusiasm. If on their return they find the St. Petersburg press hostile to the arrangement, it is not impossible that they might make our reservation a pretext for repudiating the whole Treaty.

To avert this contingency it seems to me the Imperial authorities should lose no time in withdrawing their opposition on behalf of the antipodean Dominions, to words which do not concern those Dominions in the smallest degree—and which were inserted merely to gratify the vanity of the United States experts. On receiving the necessary authority, the notes might be withdrawn and our adhesion to the Treaty made absolute, without the Russians knowing anything about the matter.

Mr. Bryce is alive to the danger I have pointed out and has communicated in the sense of my observations, with the Foreign Office—I trust successfully —though at the date of his last letter, he had heard nothing. I hope the Dominions will not in turn get befogged.

It would indeed be unfortunate if, after surmounting the many and real obstacles which beset our course, the Treaty should be lost for a chimera like this.

Believe me etc.

JOSEPH POPE

704. *Ambassador in United States to Governor General*

TELEGRAM Seal Harbour, July 18, 1911

Commonwealth of Australia, New Zealand, South African Confederation, Newfoundland have assented to Sealing Treaty signed 7th July.

Have informed United States [Government and] Russian and Japanese Embassies that note of 7th July[2] is withdrawn and whole Treaty accepted for all British Dominions.[3]

BRYCE

[1] Not printed.

[2] Reserving the positions of Australia, New Zealand and South Africa.

[3] For further relevant material see *Sessional Papers*, 1912, No. 84.

CHAPTER VI

ASIAN IMMIGRATION

Lemieux Agreement, 1908; mission of Mackenzie King to India and China; status of British Indian subjects in British Columbia; restrictions on immigration of Oriental persons; consultations with the Consuls General of Japan and China; Acts of Provincial Legislatures discriminating against Asians; *Komagata Maru* incident, 1914; review of policy on immigration of British Indian subjects.

705. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH
My Lord, Downing Street, January 14, 1909

I have the honour to acknowledge the receipt of Your Excellency's despatch No. 514 of the 21st of December, on the subject of the proposed negotiations with the Chinese authorities at Peking, as to the restrictions on the emigration of Chinese to Canada.

2. In reply I have to request that you will inform your Ministers that His Majesty's Government approve the proposal that Mr. Mackenzie King should discuss the question with His Majesty's Minister at Peking and with the Chinese authorities, and that the Secretary of State for Foreign Affairs has accordingly addressed a despatch, of which a copy is enclosed, to Sir J. Jordan,[1] requesting that he will further the proposed negotiations.

I have etc.

CREWE

[ENCLOSURE]

Foreign Secretary to Minister in China

DESPATCH 565
Sir, Foreign Office, December 31, 1908

I transmit to you a copy of a letter addressed to me by Sir Wilfrid Laurier, Prime Minister of Canada, respecting a proposal that Mr. Mackenzie King, the representative of Canada on the International Opium Conference, should take advantage of his stay in China to endeavour to effect between the Governments of China and Canada an agreement whereby the Government

[1] Minister in China, 1906-1920.

of China would undertake to control and restrict within defined limits, the emigration of Chinese to Canada. Mr. King would also be prepared to discuss the terms of an agreement on this basis.

On calling at this Office to deliver Sir W. Laurier's letter Mr. Mackenzie King[1] suggested that a proposal coming from him including the possible abolition of the capitation tax on Chinese would have a good effect. Whereas during the first two years of its imposition the present capitation tax of five hundred dollars had practically put an end to all immigration, last year no fewer than fifteen hundred Chinese managed to put up the one hundred pound tax, and this number was much larger than Canada could afford to receive. His idea was to endeavor to obtain the total exclusion of the labouring class in return for merchants, students, &c., being allowed to enter and reside in Canada free of any capitation tax, and, if that could not be obtained, to arrange an agreement on the lines of that effected with Japan, by which only a small number of certain classes of emigrants (in the case of Japan it was limited to four hundred) would be allowed to leave China for Canada. He added that he would be pleased to put forward any general stipulations in the interests of the Empire, if we could suggest any or desired to do so.

I desire to recommend Mr. King warmly to your good offices and to request that you will afford him every assistance in your power, and that you will advise him in the conduct of his negotiations.

Mr. King is aware of the importance I attach to your advice and opinion being followed in regard to any steps which he may propose to take.

I have etc.

E. GREY

706. *Colonial Secretary to Governor General*

DESPATCH 123

My Lord, Downing Street, February 27, 1909

Among the printed papers received by the last mail, is a copy of an Order in Council of 17th November, 1908, relating to the Acts, passed by the Legislative Assembly of the Province of British Columbia, during the Session of 1908, in which it is stated that Chapter 23 of the Statutes, entitled "An Act to Regulate Immigration into British Columbia," is reserved for further report.

2. I shall be glad to learn in due course whether the Act is disallowed or is permitted to remain on the Statute Book.

I have etc.

CREWE

[1] Mackenzie King, who had left Ottawa on December 14, 1908 to attend the meetings of the International Opium Conference at Shanghai, stopped in London where he discussed with the British authorities the problem of the immigration of Orientals, and specially Indians, to Canada.

707. *Prime Minister to Consul General of Japan*

Dear Sir, Ottawa, March 3, 1909

In answer to your letter asking for information concerning the Bill introduced by Mr. Oliver,[1] on the subject of immigration, I have to inform you that Mr. Oliver's object in presenting this legislation in no way affects the relations which we now have with Japan. On the contrary, some of its provisions are intended to facilitate the carrying out of our present arrangement with your country.

I take this opportunity to express our satisfaction that the arrangement which was made last year by your Government with Mr. Lemieux[2] has been faithfully carried out, and there is no reason why the good relations which have always existed between our respective countries should not remain as friendly as they are at the present time.

Yours very sincerely,

WILFRID LAURIER

708. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, March 25, 1909

With reference to your despatch No. 123, 27th February, Act disallowed 15th February.

GREY

709. *Colonial Secretary to Governor General*

DESPATCH 229

My Lord, Downing Street, March 31, 1909

I have the honour to acknowledge the receipt of Your Excellency's telegram of the 25th of March, reporting the disallowance of the British Columbia Immigration Act, No. 23 of 1908.

2. His Majesty's Government have learnt with satisfaction of the disallowance of this Act, which had, I understand, already been declared inoperative in so far as it affected Japanese and British Indians.

3. I shall be glad to receive if possible reports of any cases in the Courts by which the invalidity of this Act was established.

I have etc.

CREWE

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[1] Frank Oliver, Minister of the Interior, 1905-1911.

[2] Rodolphe Lemieux had been appointed, in October, 1907, Special Envoy of the Canadian Government to negotiate an agreement with Japan. Accompanied by Joseph Pope, he proceeded to Tokyo where he laid down the basis of an understanding with Japan. A secret "gentlemen's agreement", the Lemieux Agreement, implementing this understanding was concluded in Ottawa in January, 1908.

710. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH
My Lord, Downing Street, March 31, 1909

I have the honour to transmit to you, for the information of your Ministers, the papers noted below on the subject of Chinese immigration into Canada.

I have etc.

CREWE

[ENCLOSURE 1]

Legation in China to Foreign Office

PARAPHRASE OF TELEGRAM 65 Peking, March 19, 1909

Chinese Immigration to Canada. Your despatches Nos. 565 and 25. Progress is being made in the negotiations here and Chinese Minister in London is being consulted, by the Chinese Government, as to the advisability of restricting the emigration on the lines that the Canadian Government desire.

As Mackenzie King is pressed for time matters would be greatly facilitated if Chinese Minister were asked to send an early reply to the Wai-wu Pu,[1] and if the Canadian point of view could be explained to him.

[ENCLOSURE 2]

Foreign Office to Legation in China

PARAPHRASE OF TELEGRAM 50 Foreign Office, March 20, 1909

Chinese Immigration into Canada. See your telegram No. 65 of the 19th instant. The Chinese Minister has, I understand, been asked to give his opinion and in particular to ascertain the views of the prospective Chinese Consul for Canada, now apparently at San Francisco on his way to London.

The Chinese Minister has replied that a trial could be made of provisional arrangements, and that exemption from poll tax should be granted to emigrants within any specified number. The Minister has referred to the Japanese arrangement and said that the limit has been overstepped; he advises the Wai-wu Pu to consider how any regulations which they may agree to should be enforced.

It has been explained to him that Mackenzie King represents the point of view of Canada and that no fuller details than he can give can be furnished by His Majesty's Government.

[1] A board for foreign affairs established in 1901.

711. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH
Downing Street, April 30, 1909

My Lord,

With reference to your Excellency's telegram of the 17th December, I have the honour to transmit to you, to be laid before your Ministers, the accompanying copy of a letter from the India Office on the subject of the Indian immigration into the Dominion.

2. I desire to associate myself with the Secretary of State for India and the Government of India in expressing to your Ministers my appreciation of the manner in which the Government of the Dominion has treated this extremely difficult and important question.

I have etc.

CREWE

[ENCLOSURE]

India Office to Colonial Office

London, April 20, 1909

Sir,

With reference to Mr. Just's letter of the 24th December last, on the subject of Mr. Mackenzie King's visit to India, I am directed by Viscount Morley[1] to transmit for the consideration of the Earl of Crewe a copy of a letter received from the Government of India on the question of Indian immigration into the Dominion of Canada.

Lord Morley desires cordially to endorse the views expressed by the Government of India on the treatment given to this grave question by the Dominion Government, to whom, if Lord Crewe sees no objection, he would wish the correspondence to be communicated.

I have etc.

COLIN J. CAMPBELL

[SUB-ENCLOSURE]

Government of India to Secretary of State for India

DESPATCH 18
Calcutta, March 11, 1909

My Lord,

We have the honour to refer to Mr. Herbert's letter No. J.&P. 4837 dated 1st January 1909, forwarding a copy of correspondence received from the Colonial Office regarding the visit to this country of Mr. W. L. Mackenzie King, C.M.G. the Canadian representative on the Joint Opium Commission at Shanghai.

[1] Secretary of State for India, 1905-1910.

2. We have discussed with Mr. Mackenzie King the present position with regard to the immigration of Indians into British Columbia. The chief points considered were:

(*a*) The probability of the present arrangements for stopping the influx of Indians into Canada remaining effective and

(*b*) The attitude of the Indian Government towards these arrangements.

3. As regards the first point, the Canadian Immigration Act has been amended so as to empower the Governor in Council to prohibit the landing in Canada of any specified class of immigrants, who have come to Canada otherwise than by a continuous journey from the country of which they are natives or citizens, on through tickets purchased in that country, and an Order in Council dated the 27th May 1908, has been issued to give effect to this provision. At the present time there is no direct line of steamships running from ports in India to ports in Western Canada, and we believe that there is no likelihood of any steamship line starting through running from India to a West Canadian port. By a further Order in Council, dated the 3rd June, 1908, the Governor General of Canada has directed that all Asiatic immigrants, other than those specially excepted in the last paragraph of the Order (as possessing treaty rights) must have in their possession at least 200 dollars. The deportation sections of the Immigration Act further permit of the deportation at the expense of the transportation company which brought him into Canada of any prohibited immigrant or of any immigrant who has within two years become an inmate of a hospital or other charitable institution. We believe that these measures will be perfectly effectual in preventing further immigration into Canada of Indians of the type who have already found their way there. The effect of the second Order in Council makes it practically impossible for the ordinary Indian labourer to enter Canada. Immigration has for some time past ceased altogether, and we see no possibility of its being re-opened under the conditions which have been laid down by the Colonial Government.

4. We would add that we have already communicated the provisions of the two Orders in Council to all local governments for publication in this country. Resolutions had previously been published from time to time warning intending emigrants against proceeding to Canada. The steamer agencies have further been informed that the Indian Emigration Act of 1883 makes it illegal for natives of India to proceed to Canada under an agreement to work for hire.

5. As to the second point which was discussed with Mr. King, the attitude adopted by us has been throughout to oppose the imposition of direct restrictive measures in this country.

We have on two occasions[1] pointed out that any action that might be necessary must be taken by the Canadian Government. We have raised no objection to the measures which have accordingly been adopted by the

[1] *Vide* telegrams dated the 22nd January 1908 and the 30th March 1908. [Footnote as in document.]

Colonial Government, and we do not intend to raise any question in regard to the steps which have been taken to control immigration into Canada.

6. In our telegram of the 22nd January 1908 to Your Lordship, we stated that we recognized the peculiar difficulties of the Canadian Government and appreciated the conciliatory attitude with which they had approached this difficult question. The subsequent negotiations have tended further to confirm this view. A solution of the difficulties with which the Dominion Government were faced has been found without resorting to invidious legislation aimed particularly at British Indians, and the treatment which the subject has received has involved us in none of the controversies which have beset us in connection with the Indian immigration into others of the self-governing Colonies.

We request that, if there is no objection, Your Lordship will take the necessary steps to communicate our views to the Government of Canada.

We have etc.

MINTO
KITCHENER
H. ERLE RICHARDS
H. ADAMSON
J. C. MILLER
W. L. HARVEY
G. F. WILSON

712. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH Downing Street, May 8, 1909

With reference to my confidential despatch of the 31st of March, I have the honour to transmit to Your Excellency, for the information of your Ministers, copies of despatches from His Majesty's Minister at Peking on the subject of Mr. Mackenzie King's negotiations with the Chinese Government as to immigration into Canada from China. Copies of Mr. King's reports are not forwarded as they will no doubt already be in the hands of your Government.

2. I desire to express the satisfaction felt by His Majesty's Government with the able conduct of the negotiations by Mr. Mackenzie King.

I have etc.

CREWE

[ENCLOSURE 1]

Minister in China to Foreign Secretary

DESPATCH 123
Sir, Peking, March 17, 1909

I have the honour to acknowledge the receipt of your despatch No. 565, of the 31st December, and No. 25 of the 29th January last, informing me of

the object of Mr. Mackenzie King's mission to China, and instructing me to give him every assistance in my power.

I lost no time in placing myself in communication with Mr. Mackenzie King immediately he arrived in Shanghai, and, acting upon his advice, I explained at length the objects of his mission to the Wai-wu Pu, and prepared them generally for the reception of his proposals for the restriction of Chinese emigration to Canada.

Mr. Mackenzie King and the other members of the Opium Commission reached Peking on the 6th instant, and on the 9th the first interview on the subject took place at the Wai-wu Pu with His Excellency Liang Tun-yen, whose long residence in the United States made him specially qualified to deal with such a question.

The exhaustive accounts,[1] prepared by Mr. Mackenzie King himself, copies of which I have the honour to enclose, of what passed at this and a subsequent interview of the following day, render it unnecessary for me to do more than touch upon the leading points of the discussion, and sum up very briefly my impression of the results that have so far been achieved.

Mr. Mackenzie King explained with great clearness and force the economic and political reasons which rendered a policy of restriction necessary. The difference in the standard of living between Orientals and the people of the North American continent formed an important element in the competition of the labouring classes, and this led to an agitation for exclusion both in Canada and the United States which no representative Government charged with the duty of preserving good order could afford to ignore.

Broadly speaking, there were two methods of dealing with the question. One consisted in the issue of prohibitory enactments in the nature of exclusion laws; the other was voluntary restriction by a foreign country of its own emigration. The latter was the system adopted by Japan and India, both of whom had entered into arrangements with Canada under which they undertook to exercise a certain degree of control over their own emigration.

With China, there had so far been no arrangement, and restriction had been enforced by means of poll-tax. Canada had no wish to maintain an invidious discrimination against China, and wished to ascertain whether China would not herself undertake the restriction of her own emigration.

Mr. Liang said that he could not discuss any proposal which aimed at the exclusion of all labourers. He could say at once that the Chinese Government would adhere to its traditional policy of discouraging contract labour. While advocating, on principle, liberty of movement for free labourers, he intimated the possibility of adopting some temporary measure of restriction on the understanding that provision should be made for such gradual increase as circumstances permitted. The poll-tax he regarded as a violation of treaties concluded with Great Britain.

Mr. Mackenzie King, it will be seen, combatted this latter contention with great skill, and pointed out, forcibly, that Canada did not wish to restrict

[1] Memoranda of interviews of 9th and 10th March: Not printed.

any classes of Chinese from going to Canada other than the classes amongst her own people whom she was prepared to prevent from going to China. Students, merchants, tourists, and officials from China would all be welcomed, and those were the classes from which the Canadians in China were drawn. Mr. Liang, of course, retorted that such an agreement would be reciprocal in name rather than in reality, as Canadian labour did not wish to come to China, and would not succeed if it did. He concluded by saying that China had to guard against a repetition of what had occurred in connection with the interpretation of the 1894 Agreement with America, which had resulted in a boycott of American goods in China, and he asked Mr. Mackenzie King to furnish him with a written statement setting forth what was desired.

This Mr. Mackenzie King did at his second interview on the following day, the 10th March, when much of the ground covered on the previous day was again traversed, and the whole subject discussed in all its bearings.

Eventually, Mr. Mackenzie King, coming to close quarters with Liang Ta-jen,[1] asked him pointedly whether China could restrict her own emigration. Mr. Liang met this by saying that Canada could refuse to admit Chinese beyond a certain number. After, however, the Japanese system had been explained to him, Mr. Liang expressed the opinion that the Chinese Government might adopt the plan of issuing passports to a certain number of emigrants, and that Canada might refuse admission to any Chinese who came without passports.

This struck me as likely to prove the turning point of the negotiations, which had been conducted with such admirable skill, patience, and ability by Mr. Mackenzie King.

Various documents, bearing on the questions, have been supplied to Liang Ta-jen by Mr. Mackenzie King as stated in the latter's letter, copy of which is also enclosed. His Excellency will thus be fully informed in view of further discussion of the subject.

Another interview takes place today, and although a successful issue is by no means assured, the ground has been so carefully prepared and the position of the Canadian Government so fully explained, that even should the present attempt to arrive at an arrangement fail, an eventual solution has been greatly facilitated.

I have etc.

J. N. JORDAN

[ENCLOSURE 2]

Minister in China to Foreign Secretary

DESPATCH 143

Peking, April 1, 1909

Sir,

In continuation of my despatch, No. 123, of the 17th March last, I have the honour to report on the further course of the negotiations between Mr. Mackenzie King and His Excellency Liang Tun-yen for the restriction by

[1] The title "Ta-jen" is the equivalent of "Excellency".

China of Chinese emigration to Canada in return for the removal by Canada of the present capitation tax.

The exhaustive accounts[1] of the two succeeding interviews, which have been prepared by Mr. Mackenzie King and are enclosed herewith, cover the ground so fully that it is unnecessary for me to do more than recapitulate the main facts.

At the meeting on the 17th March, Mr. Liang virtually admitted that China was in a position to make an agreement similar to that which had been concluded between Canada and Japan, and that the Wai-wu Pu could regulate the restriction of emigration within defined limits by the issue of a certain number of passports. The form in which the agreement should be drawn up raised a slight difference of opinion. Mr. Liang thought that an exchange of Notes would be sufficient, while Mr. Mackenzie King preferred a more formal arrangement, in view of the fact that legislation in the Canadian Parliament would probably be necessary to give effect to any understanding that might be reached, and the public would have to be left in no doubt that its form was such as to secure the end in view. This was the more necessary on account of the difficulties which had arisen through the acceptance of informal assurances from the Japanese. It was pointed out that treaties were between nations what contracts were between individuals, and that a treaty was desirable in a matter of this kind to prevent any possibility of misunderstanding as to the exact terms of the engagement. As Mr. Liang, however, adhered to his preference for an assurance in the form of an exchange of Notes, Mr. Mackenzie King said that he had no desire to press the question at that stage of the discussion, and would be prepared to leave to the consideration of his Government the form which the Agreement would take.

It was eventually decided that Mr. Mackenzie King should prepare a draft for purposes of further discussion on the basis that contract labour should be prohibited except by the consent of both Governments, that free labour should be restricted to such numbers per annum as might be agreed upon, the restriction to be enforced by the issue of passports, and that Canada should, in return, take measures for the removal of the capitation tax.

The fourth interview, at which the terms of a proposed agreement were discussed, took place on the 19th March. Taking the existing Canadian legislation respecting Chinese immigration as his basis, Mr. Mackenzie King showed the amendments which would be required to bring it into harmony with the arrangement now contemplated between China and Canada, and submitted for purposes of discussion a rough draft embodying the essential provisions of the proposed agreement. The various points enumerated in this were considered *seriatim* and the reasons were given in each case for the wording that had been adopted. Mr. Liang found the terms of this proposal generally acceptable, and only made one or two suggestions, which were embodied in a revised draft, copy of which was, at his request, sent to him on the 20th March.[2] This revised draft, which forms Enclosure No. 3 in this

[1] 17th and 19th March: Not printed.
[2] Enclosure with Sub-enclosure 1, p. 602.

despatch, summarizes in a very succinct and complete form the final outcome of all these discussions, and is important as furnishing the basis on which any future consideration of the question must proceed. The document is perhaps somewhat fuller than the requirements of the negotiations here might have necessitated, but, in drawing it up, Mr. Mackenzie King had to keep in view the impression it would produce in political circles in Canada, and this consideration was explained to and fully appreciated by Mr. Liang.

The illness of the Grand Secretary, Na-t'ung, has practically placed the whole work of the Foreign Board in the hands of Mr. Liang, and, being very busy himself at the moment, he referred Mr. Mackenzie King's draft to Mr. Tong Kai-son, a junior member of the Department, who had been one of the Chinese delegates to the Opium Commission. Mr. Liang, however, reverted to the question in an after-dinner conversation at the Legation on the 24th March, and explained to Mr. Mackenzie King the difficulties to be experienced in coming to an immediate decision. The substance of what passed on this occasion and at subsequent informal interviews is recorded in Mr. Mackenzie King's final memorandum, copy of which is likewise enclosed.[1] It was evidently felt that the question was too large a one to be fully considered and decided in the limited time covered by Mr. Mackenzie King's visit, and it was thought advisable to postpone its further discussion until the Consul General, whom the Chinese Government are sending to Canada, reached Ottawa. This decision was communicated to me in a letter of the 28th March, copies of which and of Mr. Mackenzie King's acknowledgement to Mr. Liang are enclosed,[2] and there the matter rests for the present.

Although no final agreement has been reached, Mr. Mackenzie King's visit has produced an excellent effect by putting the immigration question in a far better position than it previously occupied. The Chinese Government are now fully aware of Canada's difficulties, of her anxiety to meet them in the way least calculated to offend Chinese susceptibilities, and if, for reasons of their own, they find that the friendly offer which has been made to them cannot be accepted, they must at least recognize the sincerity of the effort that was made to come to an understanding. The question was a new one to them, so far as Canada is concerned, and it is only natural that they should desire to have reports from their Consul before committing themselves to any definite course of action.

Apart from the immediate object he had in view, Mr. Mackenzie King has done good work in placing Canada for the first time in direct official communication with China, and I cannot conclude this despatch without recording my belief that both the Imperial Government and the Government of the Dominion were fortunate in having such an able and sympathetic representative to perform the task.

I have etc.

J. N. JORDAN

[1] Sub-enclosure 4, p. 606.
[2] Sub-enclosures 2 and 3, pp. 604, 605.

[SUB-ENCLOSURE 1]

Canadian Representative to Acting President of Wai-wu Pu

Peking, March 20, 1909

Dear Mr. Liang,

I am enclosing a draft of the proposed letter, which I promised to forward at our interview yesterday. You understand, of course, that it is only a draft, and that I shall welcome suggestions and criticisms concerning any of its paragraphs which you may think it desirable to make.

The communication is a somewhat lengthy one, but I have thought that on the whole it would be more satisfactory to have the several points deserving of consideration set out at length. This course may help to simplify discussion, and to prevent the possibility of any subsequent misunderstandings.

Yours sincerely,

W. L. MACKENZIE KING

[ENCLOSURE WITH SUB-ENCLOSURE 1]

Canadian Representative to Acting President of Wai-wu Pu

Peking, [undated]

Dear Mr. Liang,

From the interviews which have been accorded Sir John Jordan and myself at the Foreign Office since my arrival here, Sir John and I have been led to believe that the Chinese Government, appreciating the difficulties with which the Canadian Government is confronted in the matter of Oriental immigration, and being equally desirous with the Canadian Government to promote the friendliest relations between the peoples of the two countries, is prepared to voluntarily restrict emigration from China to Canada, and to make this restriction effective within defined limits, provided the Canadian Government is willing to remove the capitation tax ($500 gold) which at the present time is imposed as a means of restricting immigration from China.

The following is proposed as the basis of an agreement between the Chinese and Canadian Governments in this connection:

1. That restriction shall be effected, and the possibility of evasions safeguarded [*sic*] by the use of passports to be issued in a form and by authorities approved.

2. That persons at present exempt from payment of the capitation tax shall be freely admitted.

3. That persons at present required to pay the capitation tax, but entitled on the fulfilment of certain conditions to a refund, shall be freely admitted, subject to regulations to be approved.

4. That persons at present required to pay the capitation tax, and not entitled to a refund, shall be freely admitted in such number as may be agreed upon between the Government of China and the Government of Canada.

5. That persons without passports, or persons of the class mentioned in paragraph 4 coming with passports, but in excess of the number agreed upon may be refused admission, and such refusal will not be deemed by the Government of China to be an act of discourtesy or a violation of any agreement or undertaking respecting emigration from China to Canada.

6. That the bringing of Chinese to Canada under contract shall be prohibited, except in the case of contracts having the express approval of both the Chinese and Canadian Governments.

The persons referred to in paragraph 2 as being at present exempt from the capitation tax are:

(*a*) The members of the diplomatic corps, or other Government representatives, their suites and their servants, and consuls and consular agents;

(*b*) The children born in Canada of parents of Chinese origin, and who have left Canada for educational or other purposes;

(*c*) Merchants, their wives and minor children;

(*d*) The wives and minor children of clergymen;

(*e*) Tourists;

(*f*) Men of science;

(*g*) Duly certified teachers (subject to such regulations as may from time to time be made by the Governor in Council);

(*h*) Chinese residents of Canada re-entering within twelve months after leaving to travel abroad, provided they have complied with conditions framed for the purpose of facilitating identification.

The persons referred to in paragraph 3 as being at present required to pay the capitation tax, but entitled on the fulfilment of certain conditions to a refund, are students entering Canada for the purpose of securing a higher education in one of the recognized universities, or in some other educational institution approved by the Governor in Council. At present, a student, to be entitled to a refund, is required to furnish "satisfactory proof that he has been a *bona fide* student in such university or educational institution for a period of one year."

7. It is agreed that the Chinese Government would deprecate as strongly as the Canadian Government any attempt on the part of persons other than *bona fide* students to gain admission to Canada under conditions intended to afford special facilities to students only. It is proposed, therefore, that should the removal of the capitation tax endanger the privilege accorded to *bona fide* students by rendering possible any subterfuge on the part of others, it be left to the Governor in Council to adopt such regulations as may appear to be necessary to safeguard this privilege from abuse.

8. It is thought that the numbers to be agreed upon of persons of the class set forth in paragraph 4 might most advantageously be left to the Governor in Council to be determined in accordance with special conditions which may prevail in Canada from time to time, it being understood that

except with the full concurrence of both the Chinese and Canadian Governments, this number shall not be less than in any one year.

9. As a means of preventing the fraudulent use of passports, and assisting Government officials in the discharge of their duties (except where otherwise specially provided by the Governor in Council), each passport shall be issued by the Chinese Wai-wu Pu, to be in the Chinese and English (or French) languages, and bear the seal of the Wai-wu Pu and the signature of the bearer in his own handwriting, or contain other sufficient means of identification. Each passport shall specify the occupation of the bearer and his object in coming to Canada, and to be valid shall be endorsed (*viséd*) by the British Legation, or by a British Consul or accredited representative of the Dominion of Canada at the place where it is granted, or at the port or place of departure, and presented within one year of the date of its issue.

10. Any agreement reached between the Chinese and Canadian Governments would be on the clear understanding that such agreement would not be held to exempt any persons from the application of general laws or regulations of the Dominion, or measures specially enacted with a view to giving full effect to the provisions of such agreement, or to restrict the right of the Chinese or Canadian Governments respectively to enact and enforce laws respecting immigrants and immigration as may from time to time seem necessary.

11. Any agreement reached may be altered or amended by mutual consent, and shall be terminable at the expiration of year after formal notice of its desire to terminate such agreement shall have been given by either Government to the other.

I shall be deeply obliged, if, before returning to Canada and reporting the results of the several interviews to the Canadian Government, you would give me an official assurance as to my having rightly understood the attitude and intentions of the Chinese Government, and as to the concurrence of the Chinese Government in the proposals and suggestions as outlined.

Yours sincerely,

W. L. Mackenzie King

[SUB-ENCLOSURE 2]

Wai-wu Pu to Minister in China

Translation

Peking, March 28, 1909

Sir,

We have carefully perused Your Excellency's memorandum and Mr. W. L. Mackenzie King's letter regarding the proposals of the Canadian Government for restricting the immigration of Chinese labour into the Dominion, and note their desire to arrange with the Chinese Government for limiting the number of Chinese labourers entering Canada each year and for rendering it obligatory even on Chinese of a higher class to hold passports.

We have the honour to observe, in reply, that the number of Chinese subjects who have entered Canada in recent years amounts to some thirty odd thousand. We understand the desire of the Canadian Government to be that China should herself limit the number of labourers by a system of passports, and that Canada would under those circumstances be willing to remove the present onerous capitation tax.

While fully appreciating the friendly spirit manifested by these proposals we have to bear in mind that this question affects the livelihood of Chinese subjects, and that its importance to us is therefore considerable. It is consequently impossible to come to a definite decision at short notice as to how the matter should be treated, and as we are now appointing a Consul General for the Dominion, the best plan will perhaps be that he should go into the matter fully and discuss it direct with the Canadian Government, whenever an opportunity presents itself.

Mr. Mackenzie King's present visit to Peking cannot, we presume, be indefinitely prolonged, and we would suggest that he should return to Canada and bring forward to the Chinese Consul General any matter which he may have for discussion. The Consul General will refer to this Board for instructions and in view of the increasing cordiality in the good relations between China and Great Britain, and the consideration which the Canadian Government desires to show to Chinese subjects, we feel sure that it should be possible to accord to them most favourable treatment, and we profoundly hope that the capitation tax and all other cruel and vexatious ordinances may be completely removed, as a token of benevolence to these immigrants and as a manifestation of justice.

We have the honour to request Your Excellency to ask Mr. Mackenzie King to report to his Government in the above sense.

We avail etc.

PRINCE CHING

and Ministers of Wai-wu Pu

[SUB-ENCLOSURE 3]

Canadian Representative to Acting President of Wai-wu Pu

Peking, March 30, 1909

Dear Mr. Liang,

Sir John Jordan has shown me the despatch from the Wai-wu Pu in reference to the immigration matters we have been discussing together. I note that the Chinese Government desires to carefully consider the whole question before coming to a final decision, and I am therefore arranging, in accordance with its suggestion, to return to Canada, where, as the communication suggests, the matter may be taken up later on with the Chinese Consul General at Ottawa.

I should not like to leave Peking without expressing my appreciation of the cordial way in which you have received me as a representative of the Government of Canada, and acknowledging with thanks on behalf of the

Government the frank and thorough manner in which you have discussed the subject in its many bearings. I am fully sensible of what this has meant, amid your many and onerous duties.

I shall call at the Wai-wu Pu this afternoon at three o'clock at which time I hope I may have the opportunity of thanking you in person.

Believe me etc.

W. L. Mackenzie King

[SUB-ENCLOSURE 4]

Concluding interviews with Acting President of Wai-wu Pu, March 24, 27, 30

His Excellency Liang Tun-yen dined at the British Legation on the evening of March 24. During the course of the evening he mentioned to Sir John Jordan and myself that he had received a somewhat evasive reply from Lord Lee (the Chinese Minister at London). Having been very busy he had referred the draft communication I had sent him to Mr. Tong Kai-son, of the Wai-wu Pu, to look over carefully, and see if there was any point which required consideration. (Mr. Tong was one of the Chinese delegates to the Opium Commission). He, Mr. Liang, felt that the matter was too important to decide himself, that he would have to lay the whole situation before the Grand Council for its action. The point which troubled him at the moment was whether the adoption of the system of restriction by means of passports as regarded emigration to Canada might not lead to other countries demanding a like form of restriction. The Dutch had been making representations concerning the number of Chinese going to their possessions in the East Indies, Java and other Islands, and were talking of enacting exclusion laws. They would be asking for voluntary restriction if it were adopted in the case of Canada. Australia and other countries might do the same.

The question of the numbers to be allowed came up for further consideration. Mr. Liang thought a larger number should be permitted than in the case of Japan, seeing that China had a much larger population. I remarked that viewed from the Canadian standpoint, Chinese and Japanese were alike Orientals, and it was the competition of Oriental labour that it was desired to restrict. However, there might be something in the point raised, and if it were regarded as important, I thought the Government might consider a minimum of 500 a year, instead of 400, as originally suggested. This would be a recognition of Chinese superiority in the matter of the numbers. Mr. Liang said he thought a minimum number might be agreed upon, the Canadian Government to increase this number as circumstances permitted. The Chinese Consul General at Ottawa could be informed of the wishes of the Canadian Government, and let his Government know at stated intervals the numbers to be allowed in. I pointed out that this was the kind of arrangement proposed in the draft submitted, that it was altogether probable in some years the Canadian Government would be prepared to let in more than the

minimum number specified. I asked if exception would be taken to a proposal to restrict to certain occupations (e.g. domestic service) by a system of licenses, such numbers as might be agreed upon in excess of the minimum agreed on. Mr. Liang thought such an arrangement would be quite satisfactory.

I said to Mr. Liang that when presenting the case to the Grand Council he might tell its members frankly that the popular movement and tendency in Canada was in the direction of exclusion, and that if the present chance went by, exclusion would be all but inevitable in the near future. I explained the combination of circumstances which made the present an opportune time, should the Chinese Government desire it, to effect an arrangement such as had been proposed and mentioned that conditions as favourable might not always be at hand, or continue long to exist.

Before leaving, Mr. Liang said that he would do what he could to hurry matters along, but it might be a week before he could lay the subject before the Grand Council. He thought, seeing my time was short, it would be better were I not to wait till a final decision was reached, but allow time for a full consideration by the Government. I urged the desirability of something definite being decided before I returned if that were possible.

Mr. Liang appears to have taken up the matter almost immediately after this talk, for he remarked to Sir John Jordan on the Saturday following, Wednesday being the evening at the Legation, that he had been discussing the subject with his colleagues, and that he was afraid it would not be possible to conclude matters at once; the question would require some consideration, especially in regard to the effect of a policy of voluntary restriction on the possible attitude and demands of other countries. He would send a communication in a day or two.

On Sunday, March 28, a communication signed by Prince Ching and the other Ministers of the Wai-wu Pu, was received by Sir John Jordan. Having been given by Sir John Jordan a copy of this communication, I sent a letter to Mr. Liang on March 30, mentioning that I would call at the Wai-wu Pu on the afternoon of that day.

I called at the Wai-wu Pu with Sir John and other members of the Legation during the afternoon. Mr. Liang, in referring to the communication of the Wai-wu Pu, said that as the whole question was a large one, and it was not possible to say definitely what the final decision ought to be, it had seemed advisable I should not be kept waiting, especially as it was known that I was anxious to return to Canada as soon as possible. He agreed that the whole subject had been frankly and thoroughly discussed. As, however, the Chinese Government were sending a Consul General to Canada, it had been thought best to allow matters to stand over until he reached Ottawa. Mr. Liang, in conclusion, expressed the Chinese Government's appreciation of the friendly attitude of Canada, and I thanked him on behalf of the Canadian Government for the time and care with which he had gone into the whole question in the several interviews.

[W. L. Mackenzie King]

713. *Colonial Secretary to Governor General*

DESPATCH 200

My Lord, Downing Street, March 19, 1910

The Secretary of State for India has had under his consideration a copy of the Immigration Bill[1] (No. 102) which was read a first time in the Canadian House of Commons on the 19th of January last.

2. He does not desire to take exception to the terms of the Bill, but he observes that under Section 38 (c) it is again proposed to take powers which would enable the Dominion to prohibit the immigration of British Indian subjects. He presumes, however, that there is no immediate intention of discriminating against them under that section, and that the powers to be taken by it would be exercised against any particular class of British subjects only in a grave emergency, and with that consideration for broader Imperial interests which has marked the policy of the Dominion with regard to British Indian immigrants.

3. I may add that the Government of India have expressed the opinion that further experience should be awaited before raising the question of imposing any further restrictions on the entry of Indians into Canada.

4. I shall be glad if you will lay this despatch before your Ministers.

I have etc.

CREWE

714. *Governor General to Colonial Secretary*

DESPATCH 195

My Lord, Ottawa, May 2, 1910

With reference to Your Lordship's despatch No. 200, dated the 19th March, 1910, regarding the provisions of Section 38 (c) of the Immigration Bill (No. 102) recently passed by the Dominion Parliament, I have the honour to transmit, herewith, for Your Lordship's information, copy of an approved Minute of His Majesty's Privy Council for Canada.[2]

Your Lordship will observe that it is not intended that the power given the Governor General in Council under this section to prohibit the immigration of British Indian subjects into Canada shall be exercised except in cases of emergency, as such arise, and only then with due regard, as in the past, to the interests of the other portions of the Empire. There is no immediate intention of discriminating against British Indian subjects under this clause, but it is believed that the fact of the Governor in Council holding this power, over and above the specific provisions of the Immigration Act, will be effective in deterring possible movements towards Canada of people whom for economic or other reasons existing at the moment it might not be desirable to have added to our population.

I have etc.

GREY

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[1] Enacted into law as The Immigration Act, 9-10 Edward VII, C.27.
[2] Not printed.

715. *Order in Council*

P.C. 920

May 9, 1910

His Excellency in Council is pleased, under the authority of Subsection 1 of Section 38 of the Immigration Act of 9 and 10 Edward VII, to make and doth hereby make the following regulation:

From and after the date hereof, the landing in Canada shall be and the same is hereby prohibited of any immigrants who have come to Canada otherwise than by continuous journey from the country of which they are natives or citizens, and upon through tickets purchased in that country or purchased or prepaid in Canada.

716. *Order in Council*

P.C. 926

May 9, 1910

His Excellency in Council is pleased, under the authority of Section 37 of the Immigration Act of 9 and 10 Edward VII, to make and doth hereby make the following regulation:

No immigrant of Asiatic origin shall be permitted to enter Canada unless in actual and personal possession in his or her own right of two hundred dollars, unless such person is a native or subject of an Asiatic country in regard to which special statutory regulations are in force or with which the Government of Canada has made a special treaty, agreement or convention.

717. *Order in Council*

P.C. 1489

August 1, 1910

The Committee of the Privy Council have had before them a report, dated 5th July 1910, from the Secretary of State for External Affairs, to whom was referred a despatch, dated 11th June, 1910, from the Right Honourable the Principal Secretary of State for the Colonies, on the subject of certain representations made by British East Indian subjects as to the immigration laws of Canada.[1]

The Minister states that Canada is looking primarily for immigrants of an agricultural class to occupy vacant lands, and, as immigrants from Asia belong as a rule to the labouring classes whose language and mode of life render them unsuited for settlement in Canada, it was found necessary about two years ago to raise the money qualification for Asiatics desiring to enter Canada to $200 and this has been maintained ever since. There has been no recent change in the matter, the Order in Council now in force being a repetition and continuation of Orders in force before its date;

[1] In a petition they had sent to the Secretary of State for India, British Indian subjects residing in Canada protested that the Immigration Act and Regulations discriminated against British Indian subjects and were humiliating to the people of India. They also objected to the continuous journey restriction imposed by P.C. 27 of January 8, 1908 and subsequently embodied in an amendment to the Immigration Act (7-8 Edward VII, C. 33).

That this Order applies to all persons of Asiatic origin, except the Chinese, with respect to whom there are special statutory regulations, and the Japanese, with respect to whom we have a special agreement;

That the Immigration Act also requires that immigrants of any and every nationality must come to Canada by a continuous journey from the country of which they are natives or citizens, and upon through tickets purchased in that country or purchased or prepaid in Canada. This provision is not new but has been in force for over two years. This was found to be a necessary measure of protection for this country, and it applies not only to Hindus, or other Asiatics, but to all persons coming in under the Immigration Act.

The Minister submits,—with respect to the individual cases cited in the correspondence now in question,—(1) that there are no papers of record in the Department of the Interior referring to Bhai Hari Singh. (2) Nathu Ram. In this case there was an appeal to the Courts, first by application for a writ of *habeas corpus,* and this failing, the case was carried to the Court of Appeal for the Province of British Columbia, and was there again dismissed. There can be no doubt, therefore, of the regularity of the proceedings in that case, the case having been judged finally not by the Immigration Agent but by the highest Court available;

That the law as it stands does not absolutely debar British Indian immigrants, as seems to be alleged in the correspondence. It is quite practicable for a resident of British India to purchase a ticket for Canada in that country, and to travel by a continuous journey on that ticket to Canada, and if he does so, and complies with the law in regard to money qualification, and passes the usual medical examination at port of landing in Canada, there will be no difficulty about his coming into this country.

The Committee, on the recommendation of the Secretary of State for External Affairs, advise that Your Excellency may be pleased to forward a copy hereof to the Right Honourable the Principal Secretary of State for the Colonies for the information of the India Office.[1]

All which is respectfully submitted for approval.

718. *Order in Council*

P.C. 704 April 6, 1911

The Committee of the Privy Council have had before them a report, dated 1st April, 1911, from the Secretary of State for External Affairs, to whom was referred a despatch, dated 9th February, 1911, from the Right Honourable the Principal Secretary of State for the Colonies, transmitting copy of a Memorial, purporting to be signed by some three hundred British Indian subjects residing in the United States, on the subject of the immigration laws of Canada.

[1] Sent to Colonial Secretary, August 10, 1910, for transmission to the Secretary of State for India.

The Minister states that the assertion made in the Memorial, that the East Indian subjects residing in the United States are treated as inferior to aliens, such as Japanese, Germans, Italians, and Greeks, does not appear to be warranted by the facts.

The Minister desires to point out, in this relation, that the Government of Canada has adopted a selective and restrictive policy regarding immigration, to which East Indians and all other immigrants are subject. According to the regulations that have been framed with a view to carrying out that policy and which are now in force, all Asiatic immigrants, other than Chinese and Japanese, are required to have in their possession, on entering Canada, the sum of two hundred dollars as a guarantee of self-support. In the case of Chinese immigrants, they are each required, under the provisions of the Chinese Immigration Act, to pay a tax of five hundred dollars before they can be admitted into the country, and as for Japanese, they are prohibited from coming into the country beyond a fixed number which has been agreed upon between the Governments of Japan and Canada.

The Minister observes that the difficulty met by East Indians resident in the United States when crossing into Canada, and which forms the subject more particularly of the Memorial above referred to, arises from a provision of the Statutes under which all persons who do not come to Canada by a continuous journey from the country of their birth or citizenship are subject to exclusion. This provision was deemed necessary owing to the fact that the United States exclusion laws are very strict in this regard, and if an immigrant who is or who becomes undesirable and who is not a citizen of the United States enters Canada from that country, there is no way in which this Government can require the Government of that country to take him back, in case he becomes undesirable after his entry into Canada. East Indians are not specially favoured by the United States Government, and, therefore, the exclusion provisions of the United States laws are applied against them. This being the case, the Canadian authorities have no alternative but to apply the restrictive provisions of the Canadian laws as complained of in the Memorial.

That the view expressed in the Memorial that the action of the Canadian Parliament or of the immigration authorities in this relation is detrimental to Imperial policy cannot be accepted, because it has always been understood that in the maintenance of Imperial interests such policy rested on the principle that each part of the Empire should be governed in the best interests of the people of that part, and that where self-government is established the views of the people, as expressed in legislation, should be considered as the best evidence of what constitutes Imperial interests in that part of the Empire.

The Minister further observes that citizens of Canada, if resident in, or attempting to enter India, would have to conform to the laws as they exist there, whether they approved of or were inconvenienced by such laws or not. It is not felt that East Indian immigrants are entitled to claim more favourable consideration in Canada than the people of other British Dominions or friendly foreign States.

The Committee, on the recommendation of the Secretary of State for External Affairs, advise that Your Excellency may be pleased to forward a copy hereof to the Right Honourable the Principal Secretary of State for the Colonies.

All which is respectfully submitted for approval.

719. *Consul General of Japan to Minister of Finance*

NOTE VERBALE

Regarding the immigration question between Canada and Japan, the Consul General of Japan has been instructed by his Government to express the latter's views in the following sense:

The understanding arrived at in 1907 between the Canadian and the Japanese Governments on the subject of immigration is quite independent of the existing treaty concluded between Canada and Japan in 1906 and does not terminate on the expiration of that treaty. Consequently, it is the intention of the Imperial Government to maintain, after the termination of the present treaty, their policy with regard to the restriction of immigration of Japanese labourers to Canada.

In the case of the new treaty between Japan and the United States, the proviso of Article 2 of the existing treaty has been struck out, and consequently, owing to an apprehension on the part of the United States Senate that misunderstanding may arise by leaving that new treaty as it is, the Imperial Government thought it reasonable to declare, with a written document, to maintain their policy in regard to the restriction of Japanese labourers' immigration to the United States.

But in the case of Canada the state of affairs is quite different. There is no occasion such as that which happened in having such proviso as above mentioned struck out. Moreover, the Imperial Government have, up to the present, faithfully abided by the understanding of 1907 in regard to the restriction of Japanese labourers' immigration to Canada, and they are determined to maintain this policy in the future. Under these circumstances, in the opinion of the Imperial Government, there is no necessity for their giving a special written assurance on the subject to the Canadian Government on the occasion of Canada's adhesion to the new treaty between Great Britain and Japan, nor do they think that any misunderstanding shall arise in absence of such written assurance. The Canadian Government may safely rely upon the sincerity of the Imperial Government in this respect, and, if the former find anything but satisfaction after Canada's adherence to the new treaty, they shall be quite at liberty to withdraw this adherence by twelve months' notice in accordance with the second paragraph of Article 27 of the new Anglo-Japanese Treaty.[1]

Ottawa, May 10, 1911

[1] For further references to immigration aspects of the Anglo-Japanese Treaty, see Documents 722 and 725 in this chapter and Chapter VII, pages 733-749.

720. *Colonial Secretary to Governor General*

DESPATCH 903
Downing Street, November 10, 1911

Sir,

With reference to Earl Grey's despatch No. 212 of the 11th April, I have the honour to transmit to Your Royal Highness a copy of a despatch from the Government of India on the subject of Indian immigration into the Dominion of Canada.

I shall be glad if in laying this despatch before your Ministers you will invite their earliest consideration to the suggestion of the Indian Government that greater facilities should be allowed to British Indian subjects wishing to visit Canada temporarily for *bona fide* business purposes, by a freer issue of permits under Section 4 of the Immigration Act.

I have etc.

L. HARCOURT

[ENCLOSURE]

Government of India to Secretary of State for India

DESPATCH 44
Simla, September 14, 1911

My Lord Marquis,

We have the honour to acknowledge the receipt of your despatch No. 112 (Public), dated 30th June, 1911, with which were forwarded papers on the question of Indian immigration into the Dominion of Canada. Your Lordship desired to be furnished with our views on the Minute of the Canadian Privy Council of the 6th April last which formed an enclosure to the despatch.

2. In the Colonial Office letter, No. 85, dated the 9th February, 1911, a report was called for from the Canadian Government on the complaint made in a memorial from certain British Indians residing in the United States of America, to the effect that difficulties were placed in the way of Indians owning extensive property in British Columbia, when they proposed to visit that province in order to protect their interests. His Majesty's Government desired to be informed whether the existing legislation in the Dominion involved any real hardship in the case of persons wishing only to make temporary visits for business purposes. We note that the Minute of the Committee of the Privy Council on the memorial gives no specific answer on the point raised by the Colonial Office, but is confined to a defence of the policy of restriction adopted by the Colonial Government, and explains that no invidious discrimination is made against Indians as opposed to the people of other British Dominions or friendly foreign States.

3. In this connection we would invite a reference to your telegram, dated 9th June last, in which it is stated that the Canadian Government had not in practice extended the exemption, in favour of temporary visitors, contained in the Immigration Act, to wealthy Hindu merchants desiring to pay short visits from the United States to Canada, but required from them a written permit

from the Minister, under Section 4 of the Act, before permitting them to enter the Dominion. It would appear from the present Minute that, as a matter of fact, permits to visit Canada temporarily are refused to Indians residing in the United States, on the ground that it might be found difficult to return such people to that country, if they were found to be undesirable immigrants after entry into the Dominion. While we recognise that the apprehension entertained by the Government of Canada is not unreasonable, we are of opinion that it would be desirable that the Dominion Government should be moved to allow greater facilities to persons wishing to visit Canada temporarily for *bona fide* business purposes by a freer issue of permits under Section 4 of the Immigration Act.

We have etc.

HARDINGE OF PENSHURST
O'MOORE CREAGH
GUY FLEETWOOD WILSON
J. L. JENKINS
R. W. CARLYLE
S. H. BUTLER
SAIYID ALI IMAM
W. H. CLARK

721. *Order in Council*

P.C. 2650 November 24, 1911

The Committee of the Privy Council have had under consideration a report, dated 21st November, 1911, from the Secretary of State for External Affairs, to whom was referred a confidential despatch from the Secretary of State for the Colonies, dated 6th July, 1911, on the subject of the disabilities to which certain British East Indians resident in Canada are liable.

The Minister states, with special reference to the petition enclosed by the Colonial Secretary, that, as regards the allegations of the petitioners, it may be explained that the memorial is one of a series of similar petitions that have been received from time to time from East Indians resident in Canada, protesting against the operation of the existing Canadian laws and regulations, in so far as their particular nationality is concerned.

The Minister submits that it has been repeatedly pointed out, in reply to these petitions, that such laws and regulations do not apply exclusively to East Indians. An Order in Council was passed on the 9th May, 1910, requiring all Asiatics to be possessed of at least $200 each as a condition of their entry into Canada. The only immigrants excepted under the regulation are persons who are natives or subjects of an Asiatic country in regard to which special statutory regulations are in force or of a country with which the Government of Canada has made a special treaty or agreement. There is a special law in force under which all Chinese, except diplomatic and other duly accredited Government officials and their servants, persons born in

Canada of Chinese parents, merchants, tourists and teachers, are required to pay a head tax of five hundred dollars ($500) before being allowed to enter into Canada, and there is also a special agreement with Japan under which immigration from that country is limited to a maximum number of entries each year. With these exceptions, all immigrants from Asiatic countries are dealt with under the regulations approved by the Order in Council of the 9th May, 1910, above mentioned, so that there does not appear to be any good ground for the allegation contained in the petition that East Indians are labouring under grievous disabilities in so far as their nationality is concerned. As a matter of fact, the regulation complained of was not enacted with a view of discriminating against any particular race or nationality but simply for the purpose of restricting the entry into Canada of persons who, although otherwise desirable, are unsuited to become successful settlers, owing to social and climatic conditions existing in this country.

The only other restrictive regulation affecting Asiatic immigration is the one passed under the authorty of an Order in Council also dated the 9th of May, 1910, under which all immigrants, without distinction, whether they come from Asia, Africa, Europe or America, are prohibited from entering into Canada unless they have come by continuous journey on through tickets purchased in their own country. As this rule admits of no exception it cannot possibly be taken as discriminating unduly against East Indians, and the protest entered by the petitioners cannot reasonably rest upon that ground.

With reference to the enquiry made in the despatch of the Secretary of State for the Colonies with respect to H. Rahim, who acted as President to the meeting held at Vancouver on the 16th of April, 1911, the Department of the Interior reports that, according to the information afforded by their records, this man is the same one to whom reference has frequently been made in previous confidential reports submitted on this subject.

The Committee, therefore, on the recommendation of the Secretary of State for External Affairs, advise that Your Royal Highness may be pleased to transmit a copy hereof, if approved, to the Right Honourable the Secretary of State for the Colonies for the information of His Majesty's Government.[1]

All which is respectfully submitted for approval.

722. *Consul General of Japan to Prime Minister*

Ottawa, May 23, 1912

Dear Sir,

Referring to the new commercial Treaty between Great Britain and Japan,[2] I have been informed by the Japanese Ambassador at London that it has recently been agreed between the British and the Japanese Government to give the following interpretation to Articles 1 and 8:

The provisions of Article 1 do not interfere with any immigration legislation of either of the Contracting Parties that does not in any way differentiate

[1] Sent to Colonial Secretary, November 29, 1910.

[2] The text of the Treaty of Commerce and Navigation between the United Kingdom and Japan, signed at London April 3, 1911, was published in *Sessional Papers*, 1911, No. 95d.

against the subjects of the other Contracting Party as compared with the subjects or citizens of the most favoured nation.

Article 8 mentions the "United Kingdom" and "Japan" by name, while the other Clauses of the Treaty generally refer to the "High Contracting Parties." It is understood, therefore, that the provisions of Article 8 do not apply to His Majesty's Dominions beyond the Seas or Colonies.

As it seems to me that the above interpretation may be of no small importance to the interests of the Dominion of Canada I desire to communicate it to you for your information.

Yours very respectfully,

T. NAKAMURA

723. *Order in Council*[1]

P.C. 2431 September 6, 1912

The Committee of the Privy Council have had before them a report, dated 30 August, 1912, from the Minister of Justice, to whom was referred a despatch, dated 17th August, 1912, from the Right Honourable the Principal Secretary of State for the Colonies, with reference to an Act passed at the last session of the Legislature of Saskatchewan intituled "An Act to prevent the employment of female labour in certain capacities."

The Minister observes that Mr. Harcourt by the said despatch invites the earnest attention of Your Royal Highness' Government to the terms of this Act in their bearing on questions of international relations and the consideration due to His Majesty's British Indian subjects, and it is suggested that the Act should be amended within the time limited for disallowance in such a manner as to remove any discrimination by name against Japanese or British Indian subjects.

The Committee, on the recommendation of the Minister of Justice, advise that a copy hereof, together with copy of the said despatch, be transmitted to the Lieutenant Governor of Saskatchewan, with a request that the matter be considered by his Government, and that Your Royal Highness' Government may be informed as to whether the local Government will promote the suggested legislation at the next ensuing session of the Legislature.

All which is respectfully submitted for approval.

724. *Governor General to Colonial Secretary*

CONFIDENTIAL DESPATCH

Sir, Ottawa, November 20, 1912

With reference to your confidential despatch of the 16th December last with regard to the disabilities to which British Indian subjects are liable in

[1] Sent to Colonial Secretary, September 14, 1912.

the Dominion, I have the honour to transmit, herewith, for your information and for transmission to the Government of India, copies of an approved Minute of the Privy Council for Canada, setting forth the views of my responsible advisers.

You will observe that my Ministers do not consider it expedient that this information should be made public and it is suggested accordingly that the communication may be regarded as confidential.

I have etc.

ARTHUR

[ENCLOSURE]

Order in Council

P.C. 3211 November 16, 1912

The Committee of the Privy Council have had before them a report, dated 12th November, 1912, from the Secretary of State for External Affairs, upon a confidential despatch dated 16th December, 1911, from the Right Honourable the Secretary of State for the Colonies, with regard to the disabilities to which British Indian subjects are liable in the Dominion.

The Minister submits that Section 4 of the Immigration Act, copy of which is appended for convenience of reference, provides that the Minister of the Interior may issue a written permit authorizing any person to enter Canada without being subject to the provisions of that Act; and under that authority the Minister of the Interior is prepared to issue such permits to British Indian subjects who may wish to visit Canada temporarily, coming direct from India or from the United States, it being understood, however, that in the case of those coming from the United States they would first be required to obtain from the United States Immigration Department the necessary authority to return to the United States at the expiration of the permit or at an earlier date if the Canadian Government should so order.

The Committee, on the recommendation of the Secretary of State for External Affairs, advise that Your Royal Highness may be pleased to communicate this information to the Right Honourable the Secretary of State for the Colonies for transmission to the Government of India, but as it is not considered expedient that it should be made public it is suggested that the Imperial and Indian authorities be requested to regard the communication as confidential.

All which is respectfully submitted for approval.

725. *Consul General of Japan to Minister of Interior*

My dear Dr. Roche, Ottawa, November 27, 1912

. . . In view of remarkable and satisfactory result of the restriction of emigration of Japanese labourers to Canada which the Imperial Government has

attained, as well as of their repeated assurances to continue their present policy of restriction, and also in view of those special relations now happily existing between your mother country and Japan, permit me to express to you my earnest hope that the Canadian Government may come at an early date to a favourable decision in the matter of Canada's adhesion to the commercial treaty between Great Britain and Japan.

Yours faithfully,

T. NAKAMURA

726. *Colonial Secretary to Governor General*

SECRET DESPATCH

Downing Street, January 15, 1913

Sir,

With reference to my secret despatch of the 1st of January, I have the honour to transmit to Your Royal Highness, to be laid before your Ministers, the accompanying copy of a despatch addressed by the Secretary of State for Foreign Affairs to His Majesty's representative at Tokio, communicating the substance of a conversation with Baron Kato with regard to the attitude of some of the Provincial Governments of Canada to Japanese resident in the Dominion.

2. The Act of the Legislature of Saskatchewan to which reference was made by Baron Kato has formed the subject of correspondence terminating with my despatch under reference. It will be observed that Baron Kato calls attention to the fact that the scope of the law is so sweeping that it would prevent a Japanese bank, wholesale house, factory, or other legitimate business from employing any white girls as stenographers, book-keepers, cashiers, etc. Your Ministers are aware of the exception which is taken to the Act by His Majesty's Government on the ground of the form of the discrimination adopted, and I trust they will find it possible either to secure the repeal of the Act by the Provincial Legislature and the substitution of a measure in terms not offensive to Japanese or other Asiatics, or that they will take steps for its disallowance within the period in which disallowance is possible.

3. I would also suggest for the consideration of your Ministers that the Government of British Columbia might be invited to carry out its policy of requiring that holders of licenses should not employ Japanese or Chinese by adopting a language test or by some other means which does not involve a direct discrimination against Japanese on racial grounds. As far as Chinese are concerned, His Majesty's Government do not press for any alteration in the existing practice.

4. I shall be glad to receive information with regard to the change in the Fishery Regulations to which reference is made by Baron Kato.

I have etc.

L. HARCOURT

[ENCLOSURE]

Foreign Secretary to Ambassador in Japan

DESPATCH 3 CONFIDENTIAL

Sir, Foreign Office, January 3, 1913

Baron Kato brought to my notice to-day the attitude of some of the Provincial Governments in Canada to the Japanese who were resident there. He gave me the annexed papers as illustrations. He pointed out that the Japanese Government strictly enforced the limit of four hundred new Japanese immigrants into Canada per annum. The number of Japanese already in Canada that returned to Japan was each year in excess of this number. There was therefore no question of the number of Japanese increasing in Canada. On the contrary, the number was decreasing, for enquiry had proved that the Japanese were not immigrating from the United States into Canada. There was thus no reason for Canadian apprehensions about the Japanese, and no justification for the taking of special measures against them by the Canadian authorities.

He represented that to single out the Japanese for special restrictions was not fair, and was necessarily hurtful to their *amour-propre*. In Australia, the difficulty had been overcome by applying a language test, which was not on the face of it specially directed against the Japanese. The Japanese in Canada belonged mostly to the labouring class, and any restrictions which were imposed upon lower class foreign European immigrants could be applied to the Japanese without exception being taken. He urged that whatever was done should be in a way which was not offensive to Japanese *amour-propre,* and in a form which was consistent with the friendly relations existing between Great Britain and Japan.

I said that I would refer this matter to the Colonial Office, who would no doubt bring it to the notice of the Canadian Government. But he had himself stated that he knew it was our policy not to interfere in the internal affairs of the self-governing Dominions, and I believe that it was also a matter of some delicacy for the Dominion Government to interfere too much with the Provincial Governments. I could not, however, say anything definite till I had referred to the Colonial Office, though we were most anxious to avoid anything that was offensive in form to Japanese feeling.

It was apparent from all that Baron Kato said that he understood it to be inevitable that British self-governing Dominions should enforce measures to prevent increase of Japanese settlement in their territories; his contention was that some way of doing this should be found, as in Australia, that was not in form offensive to Japanese *amour-propre,* and that in Canada in particular the contingency, against which he admitted the Canadian authorities would naturally wish to provide, was at present safe-guarded, because the existing conditions of immigration would in fact produce a decrease annually of the number of Japanese in Canada.

I am etc.

W. LANGLEY
for Sir E. Grey

727. *Colonial Secretary to Governor General*

SECRET DESPATCH Downing Street, February 17, 1913

Sir,

I have the honour to acknowledge the receipt of Your Royal Highness' secret despatch of the 23rd January and to request you to inform your Ministers that I have learnt with much satisfaction that an Act has been passed by the Legislature of Saskatchewan amending Section 1 of the "Act to prevent the employment of female labour in certain capacities" by striking out the references to "Japanese" and "other Oriental persons".

I have etc.

L. HARCOURT

728. *Colonial Secretary to Administrator*

CONFIDENTIAL DESPATCH Downing Street, August 13, 1913

Sir,

I have the honour to acknowledge the receipt of Your Excellency's confidential despatches of the 19th April and 3rd July on the subject of the admission of the wives and children of British Indians now resident in Canada.

2. In reply I have to transmit to you to be laid before your Ministers the accompanying copy[1] of correspondence with the London Canadian-Indian Immigration Committee dealing with the position of British Indians under the existing regulations regarding immigration into Canada.

3. I shall be glad if you will invite the attention of your Ministers to the statement in the letter from the Immigration Committee of the 30th May regarding the position of wives and children of British Indians domiciled in Canada and if you will ascertain from them whether, in cases where British Indians have acquired Canadian domicile and have left their families in India and are able to show that they are in a position to receive and care for their families, it would not be possible to relax the existing regulations in favour of such families, without any risk of the entering of women of indifferent character, if arrangements were made under which any Indian resident who applied for the admission of his relatives were required to give on a prescribed form full particulars of identity, and arrangements were made for the verification in India of these forms.

I have etc.

L. HARCOURT

729. *Order in Council*

P.C. 2218 August 25, 1913

The Committee of the Privy Council have had under consideration a statement which has recently appeared in the public press to the effect that

[1] Not printed.

there is in contemplation the establishment of direct steamship communication between Calcutta and Vancouver, which, in their opinion, would undoubtedly result in the bringing into Canada, in large numbers, East Indians now practically excluded by the provision in our immigration regulations prohibiting the entry of immigrants into the Dominion, save by direct route from their country of origin.

The Committee view with grave concern the prospect of such an influx which, they are convinced, would greatly arouse and even inflame public opinion in important portions of this country, and which it behooves those responsible for the conduct of public affairs to avert by every proper means in their power.

Mindful of their Imperial obligations, the Committee, at the same time, are most desirous not to advise the taking of any steps which might cause embarrassment to His Majesty's Government, in India or elsewhere, if such course can be avoided. Before proceeding, therefore,with the consideration of measures best adapted to prevent such an influx of Hindus as appears to be threatened, they desire to ascertain whether any restraining action, on the part of the Government of India, is possible and feasible. They would wish that that Government might be impressed with a due sense of the gravity of the situation which the establishment in any form—whether by means of a regular service, or by individual and occasional boats—of such direct steamship communication would create, and of the paramount obligation resting upon the Canadian Government to prevent any considerable immigration into this Dominion of a race unfitted alike by their constitution, temperament and habits for permanent residence in the country.

The Committee advise that a copy of this Minute, if approved, be forwarded to the Secretary of State for the Colonies for the information of His Majesty's Government.

730. *Colonial Secretary to Administrator*

SECRET DESPATCH

Downing Street, September 20, 1913

Sir,

I have the honour to acknowledge the receipt of your despatch No. 517 of the 19th August, forwarding copies of the Statutes of the Legislative Assembly of Manitoba for the year 1913.

2. My attention has been called to the provisions of Ch. 19 of the Statutes, which forbid the employment in any capacity of any white woman or girl, or the permitting any white woman or girl to reside or lodge in, or to frequent any restaurant, laundry or any other place of business owned, kept or managed by any Chinese, Japanese, or any other Oriental person.

3. Your Ministers are aware from previous correspondence, terminating with my secret despatch of the 17th February last, of the exception taken by His Majesty's Government in respect of British Indian subjects and by the Japanese Government in respect of Japanese subjects to legislation differen-

tiating against such persons by name, and I presume that, as in the case of the Saskatchewan Act, Ch. 17, of 1912, steps will be taken by your Ministers to secure the amendment of the measure which, I observe, is not to come into force until proclaimed by the Lieutenant Governor in Council.

I have etc.

L. HARCOURT

731. *Minister of Trade and Commerce to Prime Minister*

Dear Mr. Borden, Ottawa, September 26, 1913

I enclose you a memorandum with reference to a matter which I mentioned to you some little time ago, and which is rather important under the circumstances.

Any day the Mitsui Company may ask for registration of their Company in British Columbia and if it is refused whilst similar registration is granted to companies of other nations, an interesting and troublesome question will be raised and Japan will scarcely be willing to have recourse to the roundabout way suggested by Mr. Bowser, when the same was not insisted upon for other countries.

Yours sincerely,

GEORGE E. FOSTER

[ENCLOSURE]

Memorandum by Minister of Trade and Commerce

When in Japan, I found that inquiry had been made of our Trade Commissioner there as to the conditions on which Japanese companies could be registered in British Columbia. This inquiry was made by the Mitsui Company, one of the most powerful in Japan and which has its working houses widely distributed throughout the commercial world.

The answer that was given him by the Trade Commissioner consisted in sending him a letter from British Columbia containing the regulations for registering companies then in force. The next mail from British Columbia brought from the Registrar a further letter stating that under the law as it stood, Chinese and Japanese companies were not included in the Act. This supplementary information was not sent to the Mitsui Company, and I took up the matter upon my arrival in Vancouver with Mr. Bowser.

I found that Section 148, Chap. 9, Revised Statutes B.C. of 1911, prohibits companies incorporated in China or Japan from registering in British Columbia. Mr. Bowser informs me that the prohibition against Chinese companies registering dates back at least to the consolidation of the Statutes in 1888. When the new Companies Act in 1910 was brought down this

Section was added to it and the word "Japanese" inserted. The prohibition, therefore, under the Act of 1910 applies to the registration of companies incorporated in Japan.

I am informed by the Attorney General that there is nothing to hinder either Chinese or Japanese people incorporating a domestic company in British Columbia composed of either Chinese or Japanese, and it is possible that a company might be incorporated in British Columbia under their Companies Act with the whole of their stock held by a Chinese or Japanese company, whose head office was either in China or Japan. That is the situation in so far as the law of British Columbia is concerned.

A reference to Article 1 of the Treaty of April 3rd, 1911,[1] to which Canada has acceded, will show that very broad rights are granted to each of the High Contracting Powers in the territories of the other. It would seem to me that the rights conferred would give claim to a registration of a Japanese company incorporated in Japan in British Columbia or in any other part of Canada on the same terms as the most favoured nation. Although companies are not mentioned in Art. I, Secs. 2 and 3 seem broad enough to include them.

732. *Order in Council*

P.C. 2448 September 27, 1913

The Committee of the Privy Council have had before them a report, dated 22nd September, 1913, from the Right Honourable the Secretary of State for External Affairs, to whom was referred a confidential despatch, dated 13th August, 1913, from the Right Honourable the Principal Secretary of State for the Colonies, enquiring whether it would be possible in the case of wives and children of British East Indians domiciled in Canada to relax the existing immigration regulations in favour of such families.

The Minister observes that there is no special regulation applying to British Indians or applied by the Department of the Interior to these people in a different way to which it is applied to all others; that the attitude of the Department is that Asiatic immigration as a whole is not suited to this country and, under the circumstances, it is not felt that the "Continuous Journey" regulation could be relaxed in their favour while it remains applicable to Europeans, Africans and all others. It is for this reason that it is not felt that it would be in the public interest to waive the provisions of this regulation in favour of the class of persons referred to in Mr. Harcourt's despatch.

The Committee, on the recommendation of the Right Honourable the Secretary of State for External Affairs, advise that Your Excellency may be pleased to forward a copy hereof to the Right Honourable the Principal Secretary of State for the Colonies.

All which is respectfully submitted for approval.

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[1] Anglo-Japanese Treaty of Commerce and Navigation.

733. *Administrator to Colonial Secretary*

TELEGRAM Ottawa, October 16, 1913

SECRET. My advisers advise me to call the attention of His Majesty's Government to the Orders in Council of the 25th August and 22nd [27th] September with regard to the threatened influx of Hindus which is still imminent. It is proposed to amend the existing immigration regulations by the addition thereto of the following:

> From and after the date hereof and until the thirty-first day of March, nineteen hundred and fourteen. the landing at any port of entry in British Columbia shall be and the same is hereby prohibited of any immigrant of the artisan class or of the general or unskilled labour classes, provided, however, that the Superintendent of Immigration may, notwithstanding anything hereinbefore contained, exempt any immigrant from the operation of the foregoing if it is shown to his satisfaction that conditions in the labour market of the Province of British Columbia, or of any part of that Province, have so altered as to ensure such immigrant obtaining permanent employment, or that such immigrant has such trade or occupation as will ensure him permanent employment without in any way adding to the congestion of the labour market within the said Province.

Having regard to the confidential arrangement with the Government of Japan for restriction by that Government of emigration to Canada it is desired that explanations shall be made to the Japanese Government of the necessity for this regulation. Situation is undoubtedly urgent in view of labour conditions in British Columbia which will be very severe during coming winter. It might also be pointed out to the Japanese Government that such a regulation must be in general terms and that it is impossible to exempt Japanese subjects from its operation. It is hoped with this explanation that the Japanese Government will not regard this regulation as affecting the confidential arrangement above mentioned.

My advisers also hope that proper explanation of the situation may be made to the Government of India, if His Majesty's Government thinks it desirable to do so.

C. FITZPATRICK

734. *Colonial Secretary to Governor General*

TELEGRAM London, November 3, 1913

Your telegram 16th October. Government of Japan and Government of India are being informed accordingly. Have not yet received Order in Council September 22nd [27th]. Please send by mail and keep me informed fully.

HARCOURT

735. *Acting Under-Secretary of State for External Affairs to Secretary, Governor General*

SECRET
Sir, Ottawa, November 3, 1913

With reference to the secret despatch to the Administrator of the Government from the Secretary of State for the Colonies, dated 20th September last, calling attention to the provisions of Chapter 19 of the Statutes of Manitoba for the year 1913, which discriminated by name against Chinese, Japanese and other Oriental persons, I have the honour to state that the Lieutenant Governor of Manitoba, to whose attention the purport of Mr. Harcourt's despatch was brought, has reported that it is not the intention of his Government to bring the Act referred to into force in its present form, and that if it is decided to introduce legislation to amend the said Act it will take the form of that passed by the Saskatchewan Government and will not refer to any people by name.

I am to suggest that His Royal Highness be humbly moved to inform Mr. Harcourt in the sense of the foregoing.

I have etc.
W. H. WALKER

736. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH
Sir, Downing Street, November 12, 1913

With reference to Your Royal Highness' telegram of the 4th instant, I have the honour to transmit to you for the information of your Ministers a paraphrase of a telegram from His Majesty's Ambassador at Tokio relative to the proposed amendment of the regulations governing immigration into Canada.

I have etc.
L. HARCOURT

[ENCLOSURE]

Ambassador in Japan to Foreign Secretary

PARAPHRASE OF TELEGRAM 111 Tokio, November 6, 1913

Japanese immigration into Canada. Your telegram No. 57 of October 29th. In acknowledging my communication the Minister for Foreign Affairs has expressed the pleasure of his Government at the fact that no change is contemplated, under the projected measure, in the understanding which now exists on the subject between the Canadian and Japanese Governments.

C. GREENE

737. *Order in Council*

P.C. 2642 December 8, 1913

His Royal Highness the Governor General in Council, under and in virtue of the provisions of Subsection 3 of Section 38 of the Immigration Act, 9-10 Edward VII, and in view of the present overcrowded condition of the labour market in the Province of British Columbia, is pleased to make the following Order:

From and after the date hereof, and until after the 31st day of March, 1914, the landing at any port of entry in British Columbia hereinafter specified of any immigrant of any of the following classes or occupations, viz:

Artisans;

Labourers, skilled or unskilled;

shall be, and the same is hereby, prohibited.[1]

The following ports of entry in British Columbia are hereby designated as the ports of entry at which this order shall apply:

Vancouver,	Douglas,	Powell River,
Victoria,	Gateway,	Paterson,
New Westminster,	Grand Forks,	Aldergrove,
Nanaimo,	Huntingdon,	Rykerts,
Prince Rupert,	Kamloops,	Rossland,
Port Simpson,	Keremeos,	Stewart,
Anyox,	Kingsgate,	Union Bay,
Atlin,	Ladner,	Upper Sumas,
Bridesville,	Ladysmith,	Pacific Highway,
Chilliwack,	Myncaster,	Waneta,
Chopaka,	Midway,	White Rock,
Carson,	Mission Junction,	Steveston,
Comox,	Osoyoos,	Whales Island.
Cascade,	Port McNicoll,	
Chemainus,	Ganges Harbour,	

738. *Consul General of Japan to Prime Minister*

NOTE VERBALE

Relating to the Japanese emigration question which is going to be affected by the new Order in Council, the Japanese Consul General at Ottawa has received the instructions from the Foreign Office, Tokio, to communicate to the Canadian Government in the following sense:

[1] A series of similar Orders in Council subsequently extended this restriction over a period of years.

The Imperial Government is deeply gratified at the frank explanation by the Prime Minister of Canada to the Imperial Consul General at Ottawa of the real motive which caused the present amendment of the Immigration Regulation in question; and is pleased also to learn that, in view of the existence of the Lemieux Understanding, the Canadian Government has decided to apply the interpretations which are friendly to Japan in regard to the enforcement of the new amendment.

The Imperial Government would, however, inform the Canadian Government that the Lemieux Understanding has had from the very beginning its basis upon certain sincere mutual negotiations between both Governments, and that it is entirely by virtue of the existence of this understanding that the Imperial Government has enforced for so many years the most rigid restriction of Japanese emigration into Canada and that they made the declaration regarding the emigration problem when Canada came to adhesion to the Anglo-Japanese Treaty this spring. Thus the Understanding has been faithfully observed and respected by both Governments up to the present day.

In view of these facts the Imperial Government regards with regret the abrupt alteration, though not of course in the whole, but even in a portion, of the principle of this Understanding, which is caused by the present amendment, even allowing that the said amendment is of a temporary character and the scope of its application general.

The Imperial Government, therefore, earnestly hopes that the Canadian Government will kindly find some conventional method so as to guarantee, in principle, the returning immigrants, irrespective of the duration of their residence in Canada, and all agricultural settlers, the number of which entering Canada each year is practically nil, to enter the country as before.

The Imperial Government is of the opinion that in the short period of three or four months, for which time the said amendment is considered to be in force, there will be practically almost no one among those mentioned in the above category coming into Canada. Moreover, if necessary, the Imperial Government may exercise executive control, thereby further restricting the grant of passports to these two classes for the said period, which classes even if allowed in without any restriction would be really so insignificant in number that their entry would by no means affect the Canadian Government.

As a practical question, this matter is scarcely worthy of discussion. It is the question of principle which after all is important. The point upon which the Imperial Government lays special stress is the principle underlying the whole matter and what it earnestly desires is to keep this principle of the Lemieux Understanding in its integrity and entirety, and this, it trusts, will be fully understood by the Canadian Government.

C. YADA

Ottawa, December 11, 1913

739. *Prime Minister to Consul General of Japan*

NOTE VERBALE

Relating to the recent Order of the Governor in Council touching immigration in the Province of British Columbia:

1. The Government of Canada desires to express its appreciation of the friendly spirit in which communication has been made on behalf of the Imperial Government of Japan of its views with regard to the effect of the Order promulgated on the 8th instant.

2. The Government of Canada is fully aware that the Lemieux Understanding had its origin and basis as stated in the Note Verbale communicated by the Imperial Japanese Consul, and also is reminded that according to the statement presented by the Imperial Consul General of Japan to the then Minister of Finance on the 10th day of May, 1911, the understanding thus arrived at did not terminate on the expiration of the Treaty of the 31st January, 1906.

3. The considerations which made the recent Order necessary have been fully explained to the Imperial Japanese Consul General, and, moreover, they were communicated to the Imperial Japanese Government through the British Foreign Office on or before the 6th of November last. The Government of Canada is confident, therefore, that the Imperial Government of Japan will not consider that the recent action could reasonably be termed abrupt.

4. When negotiations were commenced about a year ago between the then Imperial Consul General of Japan and the Prime Minister of Canada, there was then no treaty in force and the Immigration Act of Canada could be called into operation at any time with regard to Japan as with regard to any other country. Negotiations were based upon the continuance of this latter condition so far as Canada is concerned. It was pointed out, as the fact is, that the Canadian Immigration Act is of general operation and applies not only to foreign countries but to other portions of the British Empire.

5. It was also thought desirable that the regulative control theretofore maintained by the Imperial Government of Japan should continue to be exercised—in other words, the Government of Canada, while retaining and reserving full power to deal with and remedy any economic or other condition of difficulty, was not only willing but desirous that regulative control exercised by the Government of Japan should, so far as possible, meet any such conditions that might arise.

6. In the negotiations it was definitely pointed out to the then Imperial Consul General of Japan that, while Canada had no desire or intention of discriminating against Japan, it could not discriminate in Japan's favour on the question of immigration.

7. The Government of Canada is unable to perceive that the recent Order of the Governor in Council discriminates against Japanese subjects, either in principle, operation or intention.

8. As to intention, the reasons which make the Order necessary have already been pointed out and need not be reiterated.

9. As to principle, the Order upon its face is applicable not only to the subjects of all foreign countries, but to British subjects arriving in Canada at any of the designated ports.

10. In operation, the Order in Council applies to British subjects arriving from Australia, New Zealand, and from other British possessions in the East, as well as to citizens of the United States resident in those States which are contiguous to the Province of British Columbia.

11. It is the policy of the Canadian Government to carry out the administration of the Order in a friendly spirit towards Japan, and assurance on this point has already been conveyed to the Imperial Consul General of Japan both by the Prime Minister and by the Minister of the Interior. The conditions do not permit that even British subjects can be exempted from its operation.

12. While most anxious to meet the views of the Imperial Government of Japan in every possible way, the Government of Canada do not perceive that this is possible without making a direct discrimination in favour of Japanese subjects. The Imperial Government of Japan in 1907 publicly stated that its policy of regulative control would always have regard to local conditions prevailing in Canada. It was upon this principle that Japan declared its intention not to insist at that time upon the complete enjoyment of the rights and privileges conferred upon Japanese subjects by the Treaty of 1906. It is submitted for the consideration of the Imperial Japanese Government that local conditions in British Columbia are presently of such a character that its regulative control might properly be exercised so as to prevent the arrival in British Columbia of the very few persons who would be affected by the Order in question.

13. The Government of Canada regrets that it has been unable up to the present time to find any such conventional method as is suggested in the Note Verbale communicated to the Prime Minister, but it will be glad to receive any suggestions in that regard which should be communicated in the first instance to the Minister of the Interior.

Ottawa, December 13, 1913

740. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH

Sir, Downing Street, December 17, 1913

I have the honour to acknowledge the receipt of Sir Charles Fitzpatrick's confidential despatch of the 9th of October, with regard to the admission into Canada of the wives and children of British Indians now resident in the Dominion.

2. I now transmit to Your Royal Highness to be laid before your Ministers the accompanying copy of a despatch from the Government of India on the

subject of the general question of British Indian immigration into the Dominion of Canada.

3. With reference to the third paragraph of this despatch I shall be glad if you will explain to your Ministers that feeling in India is, owing to the position of affairs in South Africa, at present particularly high, and the acceptance of the Indian Government of a passport or any similar system with the restriction of free immigration as its object would raise a storm of indignation throughout the country and that any restriction on free immigration would require legislation which would be bitterly opposed in the Legislative Council and would be deeply resented.

4. At the same time I shall be glad to learn whether your Ministers have received any further information as to the statement that it is contemplated to establish direct steamship communication between Calcutta and Vancouver, which was reported in your telegram of the 16th of August. The Government of India has been unable to obtain any information as to this project.

I have etc.

L. HARCOURT

[ENCLOSURE]

Government of India to Secretary of State for India

DESPATCH 59

Simla, September 18, 1913

My Lord Marquess,

We have the honour to acknowledge the receipt of Your Lordship's despatch No. 173 (Public), dated the 11th July, 1913, and enclosures, on the subject of British Indian immigration into the Dominion of Canada.

2. With reference to paragraph 2 of the despatch, we have received a copy of a letter from the Deputy Commissioner of Ferozepore to the Commissioner of the Jullundur Division explaining the circumstances in which he entered into direct correspondence with the Canadian authorities. We would add that the irregularity of his action in addressing the Superintendent of Immigration at Vancouver direct has been pointed out to Mr. Bosworth-Smith by the Government of the Punjab and that the issue of certificates of identity to intending emigrants to Canada has been prohibited for the future.

3. We have carefully considered the suggestion contained in paragraph 3 of the despatch. We see no objection in principle to assisting the Dominion Government to obtain information as to intending emigrants, and if that Government saw fit to require an Indian resident, who applied for the admission of his relatives, to furnish on a prescribed form full particulars of identity, we should be glad to make the necessary arrangements for the verification in India of these forms. This arrangement, it will be observed, differs from the passport system to which the Government of India objected in 1907-08, in that, since only a limited number of passports was to be issued under that system, it virtually required the Government of India to assist in

restricting emigration to Canada. Our objections to any such system, which would identify us with the policy of restriction upon immigration which Colonial Governments have found themselves compelled to adopt, remain undiminished.

4. We would observe that the report of the debates of the 2nd January in the Senate at Ottawa, while furnishing gratifying evidence of a generous appreciation of the Indian claims to admission to Canada, shows a misunderstanding of the scope of the law in India concerning emigration as well as of the attitude of the Government of India towards Indian emigration to the Dominion. An instance of such misapprehension is furnished in Mr. Lougheed's statement that "the attention of the Colonial Government was directed to the fact that notwithstanding the Indian law touching emigration they were coming to this country and the Indian Government took up the question with a view to stopping the influx into Canada." As Your Lordship is aware, we have consistently refused to prohibit or control free emigration from this country. The Indian Emigration Act deals only with indentured emigration, and we have no legal power to prevent emigrants from proceeding to Canada otherwise than under indenture. We have certainly discouraged emigration to Canada by informing intending emigrants of the difficulties which they are likely to experience, but these warnings were issued solely in the interests of would-be emigrants themselves, the Dominion Government having made it clear that they did not regard Indian immigration with favour, and having taken steps to render such immigration practically impossible.

We have etc.

HARDINGE OF PENSHURST
O'MOORE CREAGH
HARCOURT BUTLER
SAIYID ALI IMAM
W. H. CLARK
R. H. CRADDOCK
W. S. MEYER
E. D. MACLAGAN

741. *Order in Council*

P.C. 3088 December 20, 1913

The Committee of the Privy Council have had before them a memorandum from the Secretary of State for External Affairs, dated 28th October, 1913, with reference to that portion of a secret despatch from the Secretary of State for the Colonies, dated 15th January, 1913, dealing with a conversation between the Secretary of State for Foreign Affairs and Baron Kato with regard to the policy enforced by the Provincial Government of British Columbia of requiring that holders of timber licenses should not

employ Japanese or Chinese, and also as to a proposed change in the fishery regulations and policy for Fishery District No. 2 of the Province.[1]

The Minister submits a certified copy of a Minute of the Executive Council of British Columbia, dated 14th July, 1913, hereto attached, dealing with the first-mentioned subject, which is one primarily of provincial concern.

With reference to the fishery regulations for District No. 2, British Columbia, which were promulgated by the Dominion Government, the Minister observes that the fisheries under consideration are the salmon fisheries.

As salmon are taken only when on their way to the spawning grounds, in the head waters of the rivers and streams up which they ascend, it is essential to allow a sufficient number of them to escape beyond the nets adequately to seed the spawning areas. Otherwise the fisheries would be depleted in a few years. Hence a limitation in the amount of fishing carried on is necessary. Owing to the remoteness of this portion of the Province, and to inadequate transportation facilities, it was not, until recently, feasible for fishermen permanently to reside there. Consequently the practice in years gone by was for the canners to arrange for the hiring of fishermen in the southern portion of the Province and to send them to the fishing grounds at the opening of the season, bringing them back at its close. In 1908 and 1909 the canners began to vie with each other in the number of fishermen employed, and it became evident that over-exploitation of the fisheries was imminent. In order to enable the Department of Marine and Fisheries properly to deal with the situation, a special commission was appointed thoroughly to investigate the conditions obtaining and to report. This commission recommended the assignment of a fixed number of boats to each cannery in the district. This recommendation was approved and a fishery regulation in accordance therewith adopted by Order in Council of 22nd December, 1910, copies of which are submitted herewith.

With better transportation facilities and the near approach to completion of the Grand Trunk Pacific Railway, the western terminus of which is Prince Rupert, conditions have rapidly changed in this district. Fishing industries of different kinds have been started, and the largest cold storage establishment in Canada for the carrying on of a trade in fish has been established in Prince Rupert. Fishing is now being carried on the year round, so that the time has come when a class of fishermen regarded as especially desirable by the Province should be encouraged permanently to settle in the district. The regulation above cited, while satisfactory to the canners, was not conducive to encourage the fishermen on their own account to take up fishing in the district.

Last year the whole matter was carefully reconsidered and it was decided to abrogate the regulation of the 22nd December, 1910, and to replace it by one which would afford the same amount of protection to the

[1] These regulations restricted the number of licenses granted to Japanese fishermen in the Prince Rupert area.

fisheries, but which would not oblige the Department of Marine and Fisheries to issue the licenses in connection with any cannery. In order to promote the settlement of the class of fishermen above alluded to, it was determined, as a matter of departmental policy, to reserve a limited number of fishing licenses in each area in this District No. 2, to be issued to such fishermen, independent of any canneries, and in order that the canners might be in a position to make their arrangements for the employment of the residue of the fishermen allotted to each area, it was decided to issue the remainder of the licenses in connection with the different canneries as had been done theretofore.

The Minister submits a copy of the latest amended regulations, dated 19th November, 1912, which, it will be observed, in no way discriminate against British subjects resident in the Province, irrespective of origin.

The Committee, on the recommendation of the Secretary of State for External Affairs, advise that Your Royal Highness may be pleased to transmit a copy hereof, if approved, to the Right Honourable the Secretary of State for the Colonies for the information of His Majesty's Government.[1]

All which is respectfully submitted for approval.

742. *Consul General of Japan to Prime Minister*

NOTE VERBALE

CONFIDENTIAL

On the Saturday before last [December 13], when your Note Verbale was at hand, I immediately called on the Minister of the Interior, but could not have a chance to see him.

It was not until the Monday before last [December 15], when I had at last the pleasure of seeing him, by whom I was informed that your Government, following the resolution of the Cabinet Council of Friday before last that the Order in Council should be administered liberally to Japanese, had admitted all my claims on the question of the entry of agricultural settlers and of the duration of residence in Canada required of the returning immigrants, thus admitting the Japanese under the following categories:

1. Wives and children of Japanese residents sent for by them;
2. Domestic servants engaged by Japanese residents;
3. Returning immigrants, irrespective of the duration of their residence in Canada;
4. Agricultural settlers.

In other words, the Japanese specified in the Lemieux Understanding are to be, in fact, out of the application of said Order. I have, therefore, expressed to him my sincere appreciation of the friendly consideration of the Canadian Government as to Japanese in this particular case, which I presumed as a

[1] Sent to Colonial Secretary, December 31, 1913.

manifestation, not only of the friendship of the Canadian Government toward Japan, but of their clear understanding that the Lemieux Understanding has been, and is, the most effective measure to solve the immigration problem.

And on the next day, I took to the Minister a confidential letter, a copy of which is attached herewith,[1] and requested him to confirm it in shape of reply in order to affirm the above steps taken by the Canadian Government in conformity with my claims. Having refused to meet my request at once, he reserved his reply until after a consultation at the Cabinet meeting. I was very much disappointed indeed, as I had every reason to expect his favorable confirmation, on receiving his reply after several days passed to the effect that the request I made in my letter of the 16th instant would be contrary to your Note Verbale, and this would also be discrimination in favour of Japan, and further that it is not necessary for him to add anything to your Note except to emphasize the statement that the Order will be administered in a friendly spirit towards Japan.

It is to my regret that in order to find concurrence of views between us I am obliged to draw your attention to the following points:

The Lemieux Understanding, as you are well aware, is not merely the Japanese Government's own line of action, but an agreement between the Canadian Government and the Government of Japan, as a result of the mutual understanding effected by the negotiations held between the then British Ambassador at Tokio and the Hon. Mr. Lemieux, the Canadian envoy specially despatched for the purpose, on the one hand and on the other the Government of Japan; that is to say, it is an agreement between, and to be observed by, the Canadian Government and the Government of Japan, based upon the mutual understanding that the latter will restrict voluntarily, within reasonable limit, the volume of immigration into Canada on the one part, while, on the other, the former will admit the Japanese immigrants under the categories specified in the agreement. This very fact may evidently be traced in the notes exchanged in the course of the said negotiations between the parties, and also in the reporting address of the Hon. Lemieux on his return as well as in the statements in the Parliament and on other occasions of the then Premier, Sir Laurier, and other gentlemen regarding the Understanding as "agreement" or "arrangement," and they never regarded this Understanding merely as a restriction or a regulation voluntarily exercised by the Government of Japan (see the attached papers), and even your good self called it, if I remember it correctly, "agreement" (see Parliament Record, page 7127 to 7128). From the foregoing it is clear that the Understanding has been realized by the Canadian Government, not merely as a declaration, but as an agreement which shall be respected and observed alike by both parties to it. Nevertheless, the authorities of both Governments, should their explanation have been required by the public, might have tried to explain this Understanding as merely a regulative control of Japanese emigration into Canada voluntarily exercised by the Japanese Government and nothing more. But it must be borne in mind that the contents of the

[1] Not printed.

Understanding have been kept confidential by both Governments. So that, the public explanation of the Governments might be only a conventional one made from the standpoint of party politics, and, therefore, it does not affect in the least the agreement in its true nature. And one of the strongest proofs that the said Understanding is an agreement which should be observed by both the concluding parties may be found in the letter of Hon. Mr. Lemieux under the date of January 22nd, 1908, to Count Hayashi, the then Minister of Foreign Affairs of Japan, a copy of a part of which letter is herewith appended.[1]

It would be idle to say that the existence of this agreement has been the very reason why the Government of Japan, during the last several years, exercised strict restrictions upon the immigration into Canada, living up almost to the letter of the Understanding, and moreover declared their intention to maintain with equal effectiveness the limitation and control which they have since 1908 exercised.

While I highly appreciate the good will of your Government displayed in the kind arrangement of the Minister of the Interior regarding the application of the recent Order, it is a great regret that I find in your Note Verbale certain views different from those of the Japanese Government, which I cannot pass unnoticed. Of course, I do not like to indulge myself in such argument, and yet I do desire, as I deem it my duty to reply to your Note Verbale, which I reserved at our last meeting until the receipt of instructions from my Government, to present my frank views, as I shall freely express here orally, trusting that you will take them in the same spirit.

Another point to which the Japanese Government reluctantly calls your attention is that the recent Order, in its face as well as in its practical working, discriminates Japanese immigrants, because it does not close the entries of Canada on the Atlantic Coast and the borders of the U.S.A. other than those touching B.C., through which, practically, enter all Europeans and Americans, while it does close only the entries on the Pacific and the border of B.C., thus prohibiting in fact Japanese as against Europeans and Americans. Such a discriminative Order in fact does evidently contradict with the declaration of the Canadian Government made when the former adhered to the Anglo-Japanese Treaty of 1911.

In short, although I wish I could avoid such arguments as the foregoing as my Government is well aware of the circumstances which made the recent Order necessary, and also of your sincere friendship towards Japan, the Japanese Government is deeply concerned that the Order, even though being general in its terms and temporary in its nature, is apparently applicable even to the Japanese specified in the said Agreement and there is little indication that the Agreement is duly observed by the Canadian Government. In fact, however, the term of the Order is only for little over three months, so short as the number of the Japanese immigrants of specified classes entering during that term can hardly amount to concern the Canadian Government. Moreover, if necessary, the Japanese Government may exercise their restrictions

[1] Not printed.

over the immigration. In its practical phase, the recent case has not any grave bearings. The essence of the case, therefore, is the question of the principle of the Lemieux Understanding, which the Japanese Government regards after all as most important. This is the point that I ask you to fully realize. Under the circumstances and for the reasons above stated I have requested the other day that your Government would add to the Order a proviso as in the precedented case of the P.C. 926, May 9, 1910, virtually to exempt Japanese from its application, but this request was refused by your Government for the reason that such measure would impose inconvenience upon the party politics.

I earnestly hope, with the instructions of my Government, that the Canadian Government will take into consideration the foregoing statements in their full sense, and, in view of the cordial friendship between the two countries, will furnish me with a note, no matter whether formal or informal, private or confidential, confirming the steps taken by the Minister of the Interior with a view to affirming the mutual observance in principle of the Understanding in question. It is the earnest desire of the Japanese Government as well as myself to bring this matter to a satisfactory close, and thereby to prevent the occurrence of any regrettable difficulties in the future, thus assuring the friendly relations now happily existing between the Governments and people of the two countries.

C. YADA

Ottawa, December 24, 1913

743. *Order in Council*

P.C. 23 January 7, 1914

The Governor General in Council is hereby pleased to rescind and revoke the Order in Council, dated 9th May, 1910 (P.C. No. 920), and the regulation thereby made and established.

The Governor General in Council, under the authority of Section 38 of The Immigration Act, 9-10 Edward VII, Chapter 27, is pleased to order as follows:

From and after the date hereof the landing in Canada shall be and the same is hereby prohibited of any immigrant who has come to Canada otherwise than by continuous journey from the country of which he is a native or naturalized citizen and upon a through ticket purchased in that country or prepaid in Canada.

744. *Order in Council*

P.C. 24 January 7, 1914

The Governor General in Council, under the authority of Section 37 of the Immigration Act, 9-10 Edward VII, Chapter 27, is pleased to order as follows:

The regulation made by the Order in Council, dated 9th May, 1910, (P.C. No. 926), under the authority cited above is hereby rescinded and revoked.

The following regulation is hereby made and established:

From and after the date hereof no immigrant of any Asiatic race shall be permitted to land in Canada unless such immigrant possess in his own right money to the amount of at least two hundred dollars. Provided that this regulation shall not apply to any person who is a native or subject of an Asiatic country as to which special statutory regulations inconsistent with this regulation are in force, or with which there is in operation a special treaty, agreement or convention binding the Government of Canada, if the provisions of this regulation be inconsistent with the stipulations of such treaty, agreement or convention.

745. *Prime Minister to Consul General of Japan*

NOTE VERBALE

SECRET AND CONFIDENTIAL

1. The Prime Minister of Canada has had under consideration the Note Verbale delivered by the Imperial Consul General for Japan on the 26th December last.

2. Owing to the absence of the Minister of the Interior it has been impossible to give the necessary attention and consideration to the subject in the meantime.

3. The Prime Minister appreciates the friendly spirit of the Note Verbale and the disposition of the Imperial Japanese Government, and its representative, to arrive at a satisfactory conclusion in respect of the divergent views which have been expressed.

4. It is to be noted that the Lemieux Understanding was reached at a time when, under the terms of the treaty then in force, Japanese subjects had full liberty to enter, travel and reside in any part of Canada and that the Imperial Government of Japan, appreciating the local conditions then existing in British Columbia, undertook, as a friendly act, to exercise regulative control. There was not a definite arrangement restricting the number of domestic and agricultural labourers who should be permitted to emigrate to Canada but merely a statement that the Imperial Japanese Government did not contemplate under the then existing circumstances that these two classes should exceed four hundred annually.

5. In other words the Imperial Japanese Government appear to have reserved to themselves full power to exercise such regulative control according to their own discretion; but being animated by a sincere desire to maintain friendly and cordial relations between the two countries, they approached the subject with a view of meeting the local conditions prevailing in Canada so far as was consistent with the spirit of the treaty and the dignity of the State.

6. Due regard to these considerations does not lead the Prime Minister to concur on all points with the views expressed in the Note Verbale delivered by the Imperial Consul General for Japan on the 24th December. In respect of the other matters alluded to he is constrained to reaffirm the views expressed in his note of 13th December.

7. In this regard the Prime Minister renews the suggestions which are expressed in the 12th paragraph of his Note Verbale of 13th December.

8. While adhering to the view expressed in that note, the Prime Minister has been impressed by the representations set forth in a letter to Sir Wilfrid Laurier of 3rd March, 1909, which has been brought to his attention by the Imperial Consul General. Further he does not fail to have regard to the reports which have been made to him by the officers of the Department of Immigration chiefly charged with the duty of superintendence in such matters, who report that the Lemieux Understanding has not only been faithfully observed by the Imperial Japanese Government but has been reasonably effective.

9. Under the circumstances the Minister of the Interior, after consultation with the Prime Minister, has been authorized to write a confidential letter, copy whereof is attached, to the Imperial Consul General of Japan, and it is hoped that this letter will bring to a satisfactory conclusion the incidents which have formed the subject of discussion.

Ottawa, January 8, 1914

[ENCLOSURE]

Minister of Interior to Consul General of Japan

SECRET AND CONFIDENTIAL

My dear Sir, Ottawa, January 8, 1914

In further reply to your letter of the 16th December last, I have conferred with the Prime Minister respecting the request therein set forth. We have been impressed by the communication from Sir Wilfrid Laurier to the then Consul General of Japan, under date the 3rd March, 1909, and by the consideration that the Lemieux arrangement has been so fully observed by the Imperial Government of Japan. Under the circumstances, while the rights conferred upon Japanese subjects entering Canada are entirely subject to the provisions of the Immigration Act of 1909 we are desirous of extending to the Japanese Government and its subjects the same friendly consideration which has been accorded by that Government to the Government of Canada. Thus, I am authorized by the Prime Minister to say that during the operation of the Order in Council promulgated in *The Canada Gazette* on the 13th December last the provisions therein contained will not be applied to the Japanese subjects specified in your letter. It is hoped, however, that the Imperial Japanese Government may find it convenient to exercise regulative control as far as possible over any such persons who would be within the terms of the regulation in question.

This arrangement is of an entirely confidential character; and moreover it is not to be regarded as derogating in any way from the undoubted right of the Canadian Government and Parliament to exercise full control of immigration from all countries, including Japan.

I have etc.

W. J. ROCHE

746. *Consul General of Japan to Prime Minister*

CONFIDENTIAL

My dear Mr. Borden, Ottawa, January 14, 1914

In reference to your Note Verbale, dated the 8th instant, marked "secret and confidential," I have the honour to inform you that I am instructed by the Japanese Government to inform the Canadian Government that the Japanese Government were gratified to learn of the friendly adjustment of the British Columbia immigration question consistently with, rather than outside and independently of, Lemieux Agreement, and also that the Japanese Government appreciate the friendly attitude of the Canadian Government in the matter. I am further instructed to add that the Japanese Government are happy to regard the actual incident as satisfactorily closed and also that the points upon which entire concurrence of views was not reached are reserved in the confident hope that those points will not hereafter become of moment. I am also instructed to assure the Canadian Government that the Japanese Government consider the adjustment as strictly confidential.

I have etc.

C. YADA

747. *Colonial Secretary to Governor General*

DESPATCH 128

Sir, Downing Street, February 14, 1914

I have the honour to transmit to Your Royal Highness, to be laid before your Ministers, copy of a note from the Chinese Minister on the subject of the restrictions imposed on the immigration of Chinese into Canada.

2. I shall be glad to learn by telegraph the views of your Ministers on the proposal of the Chinese Government.

I have etc.

L. HARCOURT

[ENCLOSURE]

Minister of China to Foreign Secretary

The Chinese Minister presents his compliments to His Britannic Majesty's Principal Secretary of State for Foreign Affairs and has the honour to inform

His Excellency that he has received a telegram from the Wai-chiao Pu[1] in Peking regarding the question of restricting Chinese immigration into Canada now occupying attention in that country.

The regulations bearing on the subject are felt by the Chinese affected to be harsh in their operation and to require modification.

The Chinese Government would propose, therefore, to delegate Mr. Yang Shu-wen, the present Consul General at Ottawa, to discuss the question with the Canadian Government and if possible to arrive at modifications in existing regulations which will be satisfactory to both sides.

The Minister, in accordance with his instructions, would ask Sir Edward Grey to be so good as to move the Colonial Office to request the Canadian Government to discuss the whole question with Mr. Yang Shu-wen, who will be fully instructed as to the modifications in existing immigration rules and practice which are desired.

London, February 2, 1914

748. *Order in Council*

P.C. 493 February 23, 1914

The Committee of the Privy Council have had before them a report, dated 17th February, 1914, from the Right Honourable the Secretary of State for External Affairs, to whom was referred a telegraphic despatch, dated 24th January, 1914, from the Right Honourable the Principal Secretary of State for the Colonies, on the subject of the recent amendments made in the Immigration Regulations.

The Minister observes that the regulations in question are promulgated in two Orders in Council, dated 9th May, 1910,[2] which will be found on page 45 of the pamphlet containing the laws and regulations of Canada respecting immigration and immigrants, copy of which is attached.

The Minister further observes that these Orders in Council have been rescinded and replaced by two further Orders in Council, dated 7th January, 1914[3] copies of which are attached.

That the reason for this change is to be found in the judgment, or rather series of judgments, rendered by the British Columbia Courts in the case of British East Indians, in which judgments or decisions it is held that the Orders in Council of the 9th May, 1910, were *ultra vires,* because they exceeded the authority of the statute under which they were drawn; that is to say, as regards No. 920, Section 38, Subsection (a) of the Immigration Act, provides that the Governor in Council may prohibit the entry of an immigrant "who has come to Canada otherwise than by continuous journey from the country of which he is a native or naturalized citizen," whereas the Order in Council omitted the word "naturalized," and was therefore held thereby

[1] The Foreign Ministry set up after the 1911 revolution to take the place of the Wai-wu Pu. (See footnote, p. 594.)

[2] Documents 715, 716.

[3] Documents 743, 744.

to have exceeded the statute; as regards the Order in Council No. 926, Section 37 of the Act provides that immigrants shall possess "in their own right money, etc.," whereas the Order in Council, instead of following the exact wording of the statute, required that immigrants of Asiatic origin should have "in actual and personal possession in his or her own right." It was held that the introduction of the words "in actual and personal possession" made this Order go beyond the statute. The new Orders in Council are drawn with a view to conform more closely to the statute, but there is no variation in the policy of the Government in relation to this matter, which remains unchanged.

The Committee, on the recommendation of the Right Honourable the Secretary of State for External Affairs, advise that Your Royal Highness may be pleased to communicate the substance hereof, by telegraph, to the Right Honourable the Principal Secretary of State for the Colonies.

All which is respectfully submitted for approval.

749. *Order in Council*

P.C. 304

February 23, 1914

The Committee of the Privy Council have had before them a report, dated 19th January, 1914, from the Secretary of State for External Affairs, with reference to a confidential despatch, dated 17th December, 1913, and a secret despatch of the same date, from the Secretary of State for the Colonies, relating to the request for admission into the Dominion of Canada of the wives and children of British East Indians already in this country.

The Minister submits that for the reasons already indicated in the Order in Council of 27th September, 1913 (P.C. 2448)[1] and for other considerations of the like character, Your Royal Highness's advisers feel themselves constrained to adhere to their previous decision upon this subject as expressed in the said Minute of the Privy Council of the 27th September, 1913, and advise that Your Royal Highness may be pleased to inform the Secretary of State for the Colonies that the Canadian Government is unable to modify its attitude upon this important question.

With regard to Mr. Harcourt's enquiry contained in his confidential despatch of 17th December, as to whether Your Royal Highness's advisers have received any further information touching the establishment of direct steamship communication between Calcutta and Vancouver, the Minister states that he has not recently heard anything further upon the subject; but with the number of tramp vessels engaged in the Trans-Pacific service, it would require very little capital and no very great organizing ability to bring to British Columbia ports from India large numbers of persons who could comply with the general provisions of the regulations governing the admission of immigrants into Canada.

[1] Document 732.

The Committee concur in the foregoing and, on the recommendation of the Secretary of State for External Affairs, advise that Your Royal Highness may be pleased to forward a copy hereof, if approved, to the Right Honourable the Principal Secretary of State for the Colonies.

All which is respectfully submitted for approval.

750. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, March 9, 1914

Your despatch, 14th February, No. 128. My advisers desire me to inform you that they will be glad to discuss the question of immigration with the Consul General for China as suggested, but they desire to observe that any change in existing conditions and regulations will require grave and careful consideration.

ARTHUR

751. *Colonial Secretary to Governor General*

SECRET DESPATCH

Sir, Downing Street, March 10, 1914

I have the honour to acknowledge the receipt of Your Royal Highness' secret despatch of the 31st December last, forwarding the reply of your Ministers to the representations made by the Japanese Government with regard to certain regulations affecting Japanese subjects in Canada.

2. I shall be glad if your Ministers will point out to the Government of British Columbia that, according to the representations made by the Japanese Ambassador, the Japanese Government do not desire to press for any alterations which may affect the spirit of the practical working of the present regulations, still less to endeavour to secure the participation of Japanese in the timber and fishery industries and that all that they have requested is that the appearance of special discrimination against Japanese subjects should be removed and the consequent offence to Japanese national and racial pride should be avoided.

3. His Majesty's Government, therefore, trust that the Government of British Columbia will take into their very serious consideration the amendment of the wording of the conditions upon which timber licences are granted, so as to remove the objections of the Japanese Government as to their offensive character. As will be seen from the despatch to His Majesty's Chargé d'Affaires at Tokio of which a copy was enclosed in my secret despatch of the 15th January, 1913, the Japanese Government regard the Australian practice which is based on a language test as free from objection and I would suggest that your Ministers should ask the Government of British Columbia to consider whether they should not follow the principle of a language test. I enclose in this connection a copy[1] of a recent Act

[1] Not printed.

passed by the Parliament of Queensland with a view to excluding from participation in the sugar industry Japanese and other Asiatics, both aliens and British subjects.

I have etc.

L. HARCOURT

752. *Governor of Hong Kong to Governor General*

TELEGRAM Hong Kong, March 30, 1914

150 Indian emigrant Sikhs have chartered steamer from here to British Columbia, are not on through tickets from India. Am advised that local emigration clauses do not apply to other than Chinese emigration. Please telegraph whether in the circumstances they will be permitted to land in Canada.

MAY

753. *Governor of Hong Kong to Governor General*

TELEGRAM Hong Kong, April 6, 1914

My telegram 31st March,[1] have been unable to further detain vessel; name of vessel is *Komagata Maru;* leaving Hong Kong for Vancouver April 4th.

MAY

754. *Governor General to Governor of Hong Kong*

TELEGRAM Ottawa, April 7, 1914

Your telegrams 30th March and 6th April, Indian Sikhs on way to British Columbia. Regret it was impossible to obtain views of Canadian Government earlier. Entry is prohibited under Orders in Council of 8th December, 1913,[2] and 31st March, 1914, which prohibit entry of certain classes of immigrants into British Columbia until end of September, 1914.

ARTHUR

755. *Consul General of Japan to Prime Minister*

CONFIDENTIAL

My dear Mr. Borden, Ottawa, April 7, 1914

With reference to the extension of the enforcement for another six months from its expiration on the 31st of March, 1914, of P.C. 2642,[2] I beg to

[1] Document 752.

[2] Document 737, page 626.

inform you that I am of the opinion that the said extension will as heretofore not affect the Japanese immigrants coming under the Lemieux arrangement.

Not only have I clearly understood both from your statement to me of Tuesday last, together with that of the Minister of the Interior to the above effect, but I also have been assured by the latter that the attitude of the Canadian Government towards the Japanese immigrants remains exactly same as in the past.

I should, however, be grateful if you would have the kindness to favour me with a reply regarding this matter.

I have etc.

C. YADA

756. *Prime Minister to Consul General of Japan*

CONFIDENTIAL

Ottawa, April 8, 1914

My dear Mr. Yada,

I beg to acknowledge the receipt of your letter of the 7th instant. The recent Order in Council extending for a period of six months the regulations promulgated in the Canadian *Gazette* of the 13th December last will be administered under the conditions set forth in the letter to you from the Honourable W. J. Roche, the Minister of the Interior, dated 8th January, 1914.

This arrangement is of an entirely confidential character, and moreover it is not to be regarded as derogating in any way from the undoubted right of the Canadian Government and Parliament to exercise full control of immigration from all countries including Japan.

Yours faithfully,

R. L. BORDEN

757. *Colonial Secretary to Governor General*

SECRET DESPATCH

Downing Street, April 16, 1914

Sir,

With reference to my secret despatch of the 17th of February, 1913, I have the honour to transmit to Your Royal Highness, to be laid before your Ministers, the accompanying copy of a note from the Chinese Minister on the subject of the Acts, Chapter 17 of 1912 and Chapter 18 of 1913, of the Legislature of Saskatchewan—to prevent the employment of female labour in certain capacities.

2. I shall be glad to learn what reply should, in the opinion of your Ministers, be returned to the representations made by the Chinese Minister.

3. I observe from the telegram in *The Times* of the 10th instant of which a copy is enclosed that steps have been taken to test the validity of [the Acts of] the Saskatchewan Legislature.

4. The telegram refers also to an Act which has been passed in Ontario prohibiting the employment of white females by Orientals in a factory, restaurant or laundry. I shall be glad to receive copies of this Act, together with any observations which your Ministers may have to offer. There has been correspondence respecting a similar Act passed by the Legislature of Manitoba in 1913, terminating with your secret despatch of the 5th November, 1913.

5. I should be obliged if I might also be supplied with a statement of the facts connected with the protest of the Japanese Consul at Vancouver which is mentioned in the same telegram.

I have etc.

L. HARCOURT

[ENCLOSURE]

Minister of China to Foreign Secretary

Your Excellency, [London,] April 2, 1914

I have the honour to draw Your Excellency's attention to the most unsatisfactory Act that has been passed by the Legislature of Saskatchewan and which has been the subject of frequent protest on the part of the Chinese people and Consular Officers in Canada. I refer, Your Excellency, to "An Act to Prevent the Employment of Female Labour in certain capacities," passed with its amendment by the Legislative Assembly of Saskatchewan.

I beg to enclose a copy of this Act for Your Excellency's information. Your Excellency will please note that the Act originally applied to "Japanese, Chinaman, or other Oriental person," but by the amendment which came into effect on the 11th of January, 1913, it now applies only to Chinese.

It is hardly necessary for me to go into details of the Act, but it is sufficient for me to say that it is a discriminative Act against the Chinese people lawfully resident in Saskatchewan.

I venture to submit that Your Excellency will agree with me that my Government has every justification to complain against such an unfair treatment of its people.

I am aware that the Act was passed at a time when my country was undergoing a revolution and my Government had not the time to attend to protest against such measures, but now that my Government has been fully established I have the honour to bring to Your Excellency's notice that such an Act constitutes a treatment most unfriendly to the Chinese people.

I would therefore beg Your Excellency to use your influence and good offices with the authorities concerned in order that the Act in question which might be calculated to do harm to the most cordial relationship, which has always existed between our two countries, may be removed from operation in that part of His Britannic Majesty's dominion.

I have etc.

LEW YUK-LIN

758. *Governor of Hong Kong to Governor General*

TELEGRAM Hong Kong, April 22, 1914

Referring to my telegram of 6th April, vessel calling at Shanghai, Nagasaki, Yokohama, embarking other Indian emigrants. Probable date of arrival at Vancouver April 30th.

Gurdit Singh intends challenge right of entry in court of law, also contemplates establishing direct service of steamers Calcutta to Vancouver.

Emigrants belong to agricultural class.

MAY

759. *Memorandum for Canadian Government*[1]

These 375 and odd Hindus arriving on the steamer *Komagata Maru* in Vancouver, B.C. last week, knew the provisions of the Immigration Act, but they did not know the Order in Council about the debarring of artisans was in force, for they left Hong Kong before the 31st of March, 1914.[2]

They are British subjects and thus have the same status as other citizens of the Empire. Most of them have been soldiers in the British India Army. A great number of these men are merchants and business men having money of their own, while others are farmers; thus they do not come under the present Order in Council.

Pending the decision of the Courts[3] these men desire to join their friends residing in this country and are quite agreeable to giving bail to any amount the Dominion Government might consider sufficient should the decision of the Courts be against them.

At present their condition is precarious and uncertain and it is putting them to considerable expense, anxiety and delay. Further to settle the whole question and to put it on a permanent basis, it would be advisable to place all Orientals as regards immigration on the same basis.

At present we find we are discriminated against. For instance some time ago Chief Justice Hunter held the view that the Hindus as British subjects had certain rights, whilst the Federal Department holds another view. It is to avoid the continuance of this unpleasant situation that we make an appeal.

Over two and half years ago we drew the attention of the Dominion Government to the seriousness of the situation and to look into the matter; but apparently nothing came of it. We deem it essential that the whole question of Hindu immigration be re-opened and put on a proper basis, and to this end we would respectfully submit that a full and thorough enquiry into the matter be instituted.

[1] Submitted May 29, 1914 to officers of the Immigration Branch and the Department of External Affairs by Dr. Sunder Singh, a resident of Vancouver, who failed to substantiate a claim that he spoke for the 200-member United India League.

[2] The ship sailed on April 4, with the charterer aboard. On April 7 the Governor of Hong Kong, who had earlier notified the charterer of existing regulations, learned of the extension of P.C. 2642 (page 626) and notified the solicitors of the charterer. They in turn notified the charterer when the ship called at Shanghai.

[3] See Document 771, page 654.

Further we respectfully submit that the stigma of racial bar against our people, who are British subjects and soldiers, be removed and all discrimination be done away with, and that merchants, tourists, students and others be allowed to enter this country on such terms as your Government considers equitable.

It is with the hope of solving the present acute situation that we appeal, so that the unpleasantness of action may be settled to the greater advantage of all races composing the British Empire.

760. *Charterer of Komagata Maru to Governor General*

TELEGRAM Vancouver, June 7, 1914

Reid[1] disallowed my landing—have coal cargo to sell. Can't take more cargo—suffering heavy losses and starvation. Charter money eleven thousand bound to pay before 11th. Can't arrange unless go ashore, otherwise lose ship.

Government responsible of damages. Reid disallows conversation with anybody. Given many notices. No response.

761. *Colonial Secretary to Governor General*

TELEGRAM London, June 7, 1914

Following telegram received by His Majesty the King: No provisions since four days Reid refuses supply charterer and passengers starving kept prisoners. Gurdit Singh, *Komagata Maru*. Ends.

Please ask your Ministers to let me have statement by telegraph which will enable me to lay facts before His Majesty the King.

762. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, June 10, 1914

Referring to your telegram 7th June, shipload of Hindus now in Vancouver harbour. Canadian Government state that landing in Canada is prohibited because they are labourers, the Order in Council establishing prohibition being dated 31st March last, or 32 days before vessel left Yokohama. Governor of Hong Kong made enquiries March last regarding exclusion of labourers at British Columbia ports and little doubt that Hindus on ship were perfectly aware for upwards of 27 days before they sailed that there was in effect Order debarring their entry, but notwithstanding this, they elected to come forward with present result. Exclusion order applies not only

[1] Immigration Inspector at Vancouver, B.C.

to Hindus but to all others as well, including English-speaking peoples in United States. Authorities reported only way to handle shipload without danger of escape or riot was to examine Hindus on ship some distance from shore, and this is being done. They are supplied with both food and water, are permitted to consult their solicitor and arrangements made for charterer to unload cargo and reload.

ARTHUR

763. *Colonial Secretary to Governor General*

TELEGRAM London, June 24, 1914

SECRET. PRIVATE AND PERSONAL. Possibility of rioting which would necessitate use of force on board *Komagata Maru* mentioned by press telegrams.

While vessel is in British waters of course very desirable to avoid use of force which would have extremely bad effect in Punjab.

HARCOURT

764. *Passengers on Komagata Maru to Governor General*

TELEGRAM Vancouver, July 13, 1914

Sent many telegrams answered matter under consideration afterwards no final and definite answer being shut in ship from 4 months becoming sick no good food water and exercise dying decide immediately. We ignorant either you don't answer decision or immigration not tell us.

765. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, July 16, 1914

SECRET. CONFIDENTIAL. Your confidential despatches of June 30th. Secretary of State for India has had representations made to him that passengers in *Komagata Maru* are now destitute and without food and are unable without financial assistance to return to Hong Kong. Before consulting Government of India as to possibility of compassionate grant to British Indian subjects who have been misled by promoters of voyage, Secretary of State for India would be glad to learn contemplated action of your Government if it is true (1) that persons rejected as prohibited immigrants are without money or food; (2) that persons responsible for chartering ship are unable to fulfil obligations which have been undertaken by them. Please telegraph reply.

HARCOURT

766. *Prime Minister to Acting High Commissioner in United Kingdom*

CONFIDENTIAL

My dear Perley, Ottawa, July 17, 1914

The delay in connection with the departure of Hindus has been very exasperating and it is apparent that the procedure provided by the Immigration Act will have to be amended at the next session so that more summary remedies can be adopted and that recourse can be had by attachment of any ship which brings an expedition of this character to our shores.

We are informed that those who organized the expedition had two motives. First, pecuniary advantage; if their project had been successfully carried through they would have received a large sum of money, aggregating it is said, nearly $100,000. Second, fomenting prejudice and hatred among the people of India against the Empire by reason of the rejection of these immigrants.

At present the persons on board the *Komagata Maru* will have to be supplied by the Government with food or suffer. The assignees of the charter are unable or unwilling to make any provision and the owners disclaim any responsibility. We have agreed to provision the ship to Hong Kong[1] at an expense not exceeding $4,000 provided the departure be prompt.

You know the nature of our arrangement with Japan and generally speaking the terms of the Act respecting Chinese immigration.[2]

Herewith I am sending you copies of the communication from the Chinese Consul General[3] proposing a treaty with China under which immigration from that country to Canada will be restricted to a very small number in each year. A memorandum from Mr. Blake Robertson[4] thereon is also enclosed.

The Indian Government has always taken the ground that they preferred to have immigrants rejected by Canada than to exercise any control. They must be the best judges of their own affairs but it would be well for them to realize fully that public opinion in this country will not tolerate immigration in any considerable number from Asiatic countries and that even more drastic measures and regulations will if necessary be provided in order to prevent an influx of Hindus.

In case you may not have it available I am sending you copy of a memorandum[5] which was prepared on this subject about two years ago and I would be glad if at a convenient opportunity you would discuss it with Mr. Harcourt. . . .

Yours faithfully,

R. L. BORDEN

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[1] After it passed the 3-mile limit. Passengers feared this agreement might not be carried out.

[2] Chinese Immigration Act, R.S.C., 1906, as amended by 7-8 Edward VII, C. 14.

[3] Sub-enclosure 1, p. 651.

[4] Sub-enclosure 2, p. 652.

[5] Not printed.

767. *Prime Minister to Minister of Agriculture*[1]

TELEGRAM Ottawa, July 19, 1914

Superintendent Immigration received this morning following telegram from Immigration Agent Vancouver. Begins. Attempt made tonight to board *Komagata Maru* on biggest tug in harbour. Chief of Police personally attended hundred and twenty five picked officers, Immigration Department thirty five special officers and a number of regular staff with legal adviser Ladner and H. H. Stevens, M.P. This on written request captain who unable get up steam, leave harbour, or control ship. Official interpreter went to ship prior to any action being taken with a view to solve problem without drastic action. All offers refused and message sent not come on board. They refused leave harbour without written order Bhag Singh and Rahim.[2] On arrival of vessel strenuous fight raised, firebricks, pieces of machinery, hatchets, coal, iron bars, clubs all being used which were showered down on tug from all parts of ship smashing windows of tug, injuring Captain also breaking two of his ribs. Chief of Police struck. Shots fired by Hindus but no fire returned. Twenty men now in hospital mostly police officers and a few special immigration officers also injured now being attended by Doctor. Forced to retire and returned to shore at two a.m. Chief Police, H. H. Stevens, M.P. and counsel Ladner of opinion no further attempt be made and advise that *Rainbow* take charge of this ship. We urge immediate action owing danger anti-Oriental outbreaks Vancouver when facts made public. The men aboard undoubtedly in desperate and fanatical condition. Utterly impossible to reason with them or handle in ordinary manner. The peculiar situation of this riot occurring on board a ship anchored in the stream makes ordinary police methods utterly useless as police and guards do not wish use firearms to retaliate and can do no effective service without. Ends. Think it highly desirable that you proceed immediately Vancouver and report on situation. It is essential that *Komagata Maru* should depart with least possible delay and that this should be accomplished with no unnecessary violence.

R. L. BORDEN

768. *Minister of Agriculture to Prime Minister*

TELEGRAM Vancouver, July 21, 1914

After lengthy argument with local Hindu Committee MacNeill got them to agree to proposals mentioned in my previous wire. With Counsel, Chief Immigration Officer and Stevens I received them here. MacNeill speaking on their behalf. The Committee left at once for *Komagata Maru* and undertook to persuade passengers to yield control of ship. Steam is now up.

[1] Martin Burrell was then visiting in Grand Forks, B.C.

[2] Organizers of a Hindu Committee in Vancouver which raised contributions to pay for taking over the ship's cargo, not yet unloaded. The Hindu Committee did not agree to the sailing of the ship with its cargo still aboard, until Burrell proposed appointment of a special commissioner to examine later all claims for reimbursement.

Provisions loaded partly tonight, partly tomorrow, and expect departure in afternoon. *Rainbow* to accompany ship for first day. Situation been most anxious and critical, but hope it is peace with honour. Will stay here until final stage. All concerned here have done very arduous work and I think satisfied with present situation. Will wire at once anything new.

M. BURRELL

769. *Governor General to Colonial Secretary*

SECRET DESPATCH

Sir, Ottawa, July 23, 1914

I have the honour to transmit, herewith, for your information, copy of a letter from the Prime Minister enclosing correspondence regarding the possibility of a more satisfactory arrangement on the subject of the immigration of the Chinese labour class into Canada.

I have etc.

ARTHUR

[ENCLOSURE]

Prime Minister to Governor General

Sir, Ottawa, July 16, 1914

I have the honour to enclose for the information of Your Royal Highness a letter under date 22nd June last from the Consul General for China proposing a more satisfactory arrangement respecting the immigration of Chinese labour classes into Canada, also a memorandum from E. Blake Robertson, Assistant Chief Controller of Chinese Immigration, upon the same subject. These documents are for the present confidential.

I have etc.

R. L. BORDEN

[SUB-ENCLOSURE 1]

Consul General of China to Prime Minister

Sir, Ottawa, June 22, 1914

Following our recent conversation upon the subject of some more satisfactory arrangement respecting the admission of Chinese labour class into Canada, and in pursuance of your suggestion that I should put my ideas into some concrete form in order that your colleague, the Hon. Mr. Burrell, might have something concrete to discuss with those in British Columbia having more particularly to do with the subject, I have the honour to suggest as heads for consideration the following:

1. I understand that it is felt by many in Canada that the number of Chinese labour immigrants coming into Canada is unduly large and that some-

thing should be done to restrict this number. As it is desired to accomplish this result, I am instructed to say that the Government of China will be willing to co-operate with your Government to that end and that the Government of China will be willing, in order to bring about a more satisfactory condition of affairs for those persons of Chinese labour class admitted into Canada, to restrict the number coming into Canada within any one year to, say 1,000 persons or such greater number as your Government may think proper. My understanding is that the number was over 7,000 last year, so that you will notice that my suggestion proposes something really important.

2. If the number is restricted in this way, it is then fair to propose that the present head tax, $500, which is naturally regarded as objectionable by my people, should be dispensed with. As a further offset to this, the Government of China will be willing to undertake the responsibility of issuing certificates and in that way permitting to leave China only such persons as are considered proper by the officials of the Government of China.

3. It should follow that Chinese immigrants and non-immigrants when in Canada should have the full protection of the laws of Canada and enjoy the same rights, privileges and liberties while in Canada as the citizens of Canada or the subjects or citizens of the most favoured nation enjoy.

4. In the event of it being desired, in order to expedite any extraordinary public work or other enterprise in Canada to bring in Chinese labourers to a number which would be in excess of the number stipulated by the agreement, the Government of China would agree to co-operate with the Government of Canada from time to time to that end.

5. It seems to me quite necessary that the act known as Chinese Immigration Act now in force shall cease and the Chinese immigrants and non-immigrants shall be governed by the general Immigration Act of Canada which applies to all other nations.

These are merely by way of suggestion, as I think you desire. I trust that they will have the very serious consideration of yourself and your colleagues and that we may eventually be in a position to discuss terms of an agreement.

I have etc.

YANG SHU-WEN

[SUB-ENCLOSURE 2]

Assistant Chief Controller of Chinese Immigration to Secretary, Minister of the Interior

Ottawa, June 29, 1914

I return you herewith letter from the Prime Minister to the Hon. Dr. Roche, together with communication addressed to Sir R. L. Borden by the Chinese Consul General.

From 1885 down to the present time the legislation upon the subject of Chinese immigration has had but one end in view: the exclusion of the

Chinese coolie class, or the bringing of the number of arrivals down to such a number that they will not seriously affect economic conditions in this country. With this object the head tax of $50 was imposed in 1885, which was increased to $100 in 1900 and $500 in 1904. At each increase of the head tax a falling off in Chinese immigration occurred, until such time as the Chinese were in a position to accommodate themselves to the new arrangements. In the fiscal year 1912-13, 7,078 paid the head tax, and in 1913-14, 5,274 paid the head tax. From these figures it is apparent that our attempt to limit the number of arrivals by the imposition of the head tax is a failure, and if a failure, it rests upon the Government to adopt some other means to bring about the desired result. The principle of the head tax is, I believe, generally admitted to be wrong, and I doubt if even an increase of the head tax to, say, $1,000 would stop the influx. There therefore remains only the enactment of exclusive legislation or a mutual agreement between the two countries along the lines suggested by the Chinese Consul General.

At the taking of the last census there were in Canada 27,734 Chinese and 9,021 Japanese. Since that date the arrival of Chinese has been about ten times as large as Japanese. The population of China is 432,000,000 and of Japan 52,000,000. It would therefore appear to me advisable that in the event of any arrangement being made between the two countries the number of Chinese arrivals should be limited to the neighbourhood of, say, one-third of that specified by the so-called Lemieux Agreement pertaining to Japan. In view of the population of China, of the number already here, of the likelihood of the full number arranged for by the agreement coming forward annually and the desirability of keeping the proportion of the yellow race to the white in British Columbia at at least as low a figure as at present, I think the limit set by the Chinese Consul is larger than should be considered.

Should a satisfactory arrangement as to number be made, I see no reason why the suggestions in paragraph 2 and paragraph 5 of the Chinese Consul's letter should not be complied with, as would also be the case with paragraph 4, although so long as the present public feeling towards Oriental immigration is the same as at present, there will be little likelihood of any government of this country arranging to bring forward Chinese to carry on public works.

With regard to the suggestion that Chinese persons should enjoy the same rights and privileges in Canada as the subjects of the most favoured nations, the Government would very likely be put in the position of having to veto provincial legislation such as that introduced in the Saskatchewan and Ontario Parliaments prohibiting the employment of white girls by Chinese and Japanese employers, although possibly if it was apparent that the Government had made a serious effort to limit this class of immigration the Provincial Governments would be less likely to attempt to enact drastic legislation.

E. Blake Robertson

770. *Governor General to Colonial Secretary*

PARAPHRASE OF TELEGRAM Ottawa, August 3, 1914

Your cypher telegram 29th July. Canadian Government reports that no East Indians left on *Komagata Maru* except the original passengers. It is thought here that political agitators or secret revolutionary societies financed the trip of the *Komagata Maru* in order to be able to use the refusal of permission to land in Canada as ground for agitation against British rule in India.

ARTHUR

771. *Order in Council*

P.C. 2432 September 26, 1914

The Committee of the Privy Council have had before them a report, dated 23rd September, 1914, from the Acting Minister of the Interior, submitting that he deems it expedient to have an inquiry made into and concerning the following matter:

The SS. *Komagata Maru* arrived at Vancouver the 21st of May, 1914, with three hundred and seventy-six Hindu passengers on board, who desired to land on Canadian territory.

The Immigration Officers examined the passengers, in accordance with the Immigration Regulations, and found most of them unable to qualify for admission under the terms of the following Orders in Council:

1. Order in Council, P.C. No. 24, dated the 7th of January, 1914.
2. Order in Council, P.C. No. 23, dated the 7th of January, 1914.
3. Order in Council, P.C. No. 897, dated the 31st of March, 1914.

They were, therefore, refused permission to land; subsequently a test case was brought before the courts, which sustained the validity of the Orders in Council and the rights of the Immigration Officers to take action in accordance therewith.

Orders were then issued for the return of the ship, with its passengers, to the port whence it came, but the *Komagata Maru* failed to leave the harbour owing to the refusal of the passengers to allow the captain to control the ship. The captain appealed to the civil authorities for assistance, but when the local authorities attempted to restore control of the ship to the captain, forcible resistance was offered by the Hindus.

By request of the Prime Minister, the Minister of Agriculture proceeded to Vancouver, arriving there the 21st of July, and found that the principal difficulty was that the local Hindus had advanced money for the assignment of the charter, and that the passengers refused to permit the ship to leave until such moneys were repaid.

The Minister of Agriculture gave assurances to the counsel for the Hindus that if the passengers agreed at once to restore control of the ship to the

captain, and to leave the port, he would recommend to the Government that the claims of the local Hindus be thoroughly looked into by an impartial commissioner and that full and sympathetic consideration be given to all those who deserved generous treatment.

The Minister, accordingly, recommends that H. C. Clogsto[u]n, Esquire, C.I.E., now of Victoria, B.C., and formerly for many years in the India Civil Service, be appointed a commissioner under Part I of the Inquiries Act, with all powers conferred thereunder, to investigate and report on the whole matter to His Royal Highness the Governor General in Council.

The Committee concur in the foregoing and submit the same for approval.

772. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, October 21, 1914

Minister of Interior reports that W. C. Hopkinson, special agent in charge of Hindu matters, Vancouver, shot by Hindu this morning in Vancouver Court House, and died five minutes afterwards.

ARTHUR

773. *Viceroy of India to Governor General*

PARAPHRASE OF TELEGRAM Delhi, December 4, 1914

SECRET. Newspaper *Pioneer* has London cable stating on authority of London *Daily Chronicle* that Canadian Government have definite evidence *Komagata Maru* enterprise was arranged by German Government. There is now sitting here a Committee of Enquiry respecting affray amongst returning passengers on this ship on arrival at Calcutta. I should be greatly obliged if Your Royal Highness could inform me by telegraph whether there is any truth in the statement quoted. So far we have failed here to elicit evidence to this effect.[1]

774. *Order in Council*

P.C. 315 February 18, 1915

The Committee of the Privy Council have had under consideration a report, dated 5th February, 1915, from the Right Honourable the Secretary of State for External Affairs, to whom was referred a secret despatch from the Right Honourable the Secretary of State for the Colonies, dated 16th April, 1914, with reference to representations made by the Chinese Minister in regard to certain Acts passed by the Legislature of Saskatchewan (Chapter 17 of 1912, and Chapter 18 of 1913), to prevent the employment of white

[1] The Canadian Government replied that it had been unable to discover any definite evidence of German participation in this affair.

women in "any restaurant, laundry or other place of business or amusement owned, kept, or managed by any Chinaman."

The Minister observes that Mr. Harcourt asked what reply should be made to the representations of the Chinese Minister, and further asked that he might be furnished with copies of an Act, reported to have been passed by the Ontario Legislature, prohibiting the employment of white females by Orientals in a factory, restaurant or laundry, together with any observations thereon which Your Royal Highness' advisers might have to offer.

As regards the Saskatchewan legislation, the Minister submits a copy of a despatch, dated 4th September, 1914, received from the Lieutenant Governor of that Province, as well as of correspondence enclosed therein between His Honour's Attorney General and the Acting Consul General of China at Ottawa, in which are set forth the grounds which, as the Saskatchewan Government considers, justify the legislation referred to.

The Minister also submits a duly certified copy of the Act of the Ontario Legislature (Chapter 40 of 1914) referred to by Mr. Harcourt, with a copy of a letter received through the Lieutenant Governor of Ontario, written by his Minister of Agriculture to the Provincial Secretary, explaining that this Act is only to come into force when proclaimed by the Lieutenant Governor, and that no such proclamation has yet been issued, or is at present under consideration. It will be observed that the Ontario Minister is of opinion that in any case the provision affecting Chinese persons is to be regarded as a police regulation not more stringent than many other restrictions placed on the Ontario public, and is not open to objection.

The Committee, on the recommendation of the Right Honourable the Secretary of State for External Affairs, advise that Your Royal Highness may be pleased to forward a copy of this Minute, together with the annexed papers, to the Right Honourable the Secretary of State for the Colonies, in reply to his despatch under consideration.

All of which is respectfully submitted for approval.

775. *Draft Agreement on Admission of Chinese Labourers into Canada*[1]

1. The Canadian Government engages to repeal the Act known as "The Chinese Immigration Act" and to abolish the head tax imposed upon Chinese labour immigrants. The Chinese Government, in consideration of this engagement and having regard to the interests of both countries, agrees to limit on its own initiative the number of Chinese labour immigrants to Canada to one thousand a year. By labour immigrants are meant those who enter Canada for the sole purpose of seeking manual work as a means of livelihood.

2. Subject to the limitation on the number of labour immigrants agreed to in Article 1, all Chinese persons within the Dominion of Canada, whether

[1] The draft agreement was submitted to the Prime Minister, March 15, 1915, by the Consul General of China at Ottawa.

as residents or as travellers, are entitled to full and complete protection for their persons and property and to the same rights, privileges, immunities and exemptions as Canadian subjects enjoy in all that relates to the administration of justice.

3. All Chinese persons within the Dominion of Canada are likewise entitled to the same rights, privileges, immunities and exemptions as subjects or citizens of the most-favoured nation enjoy, in all that relates to residence, travel, holding and disposal of property, trade and commerce, the conduct of industries, the pursuance of any occupation or calling, hire and being hired for labour, and to marriage, religion and education.

4. Chinese immigrants shall be governed by the general Immigration Law of Canada in the same way as the immigrants from other nations.

5. It is agreed that every Chinese labourer seeking entry into Canada must bring with him an identification paper issued by an authorized official of the Chinese Government, such paper to be entitled "Labourer's Passport." It is further agreed that the number of such passports to be issued every year is not to exceed the limitation stipulated in Article 1 of this Agreement.

6. The Chinese Government agrees to take into consideration from time to time any proposal which the Canadian Government may desire to make with a view to securing more Chinese labourers than the number stipulated in Article 1 of this Agreement to go to Canada to expedite special building or construction work.

7. Chinese labourers who return to China for the first time within three years from the date of their admission into Canada may be absent for a period not exceeding one year. Three years after such date of admission they may go to and from Canada freely.

8. No Chinese immigrants other than labourers are subject to the limitation stipulated in Article 1 of this Agreement.

9. Any Chinese labourer who becomes a merchant by way of registration shall be entitled to the same rights and privileges as other merchants enjoy.

10. All Chinese persons in the Dominion of Canada shall be exempt from any compulsory service in the Canadian army, navy and militia; also from all taxes levied in lieu of personal service, and from all forced loans and military requisitions except when imposed upon them equally with Canadian subjects and citizens or subjects of the most-favoured nation as owners of immovable property in Canada.

11. Any Chinese labourer who has resided in Canada continuously for a period of five years and who can prove to the immigration officer that he is financially capable of maintaining a family in his accustomed mode of living, shall be entitled to bring his family to Canada.

12. With the exception of labourers, every Chinese person seeking entry into Canada for travel, residence or other purpose shall be admitted, without

let or molestation, upon producing, on demand, a fixed form of certificate issued by an authorized official of the Chinese Government.

13. Chinese persons residing in Canada shall not be compelled to pay a higher rate of taxes, fees, charges or contributions than what is paid by Canadian subjects and by subjects or citizens of the most-favoured nation.

14. Chinese persons in Canada shall not be subject to any discriminatory regulations which are not applicable to and enforced upon Canadian subjects and subjects or citizens of the most-favoured nation.

15. Chinese labourers returning to Canada have the right of re-entry. They are not included in the annual number stipulated in Article 1 of this Agreement.

16. Chinese Government students, i.e. those sent and supported by the Central Government or by one of the Provincial Governments shall be admitted into Canada, without let or hindrance, upon producing a certificate issued by an authorized official of the Chinese Government.

Private students shall likewise be admitted without let or hindrance upon producing a certificate issued by an authorized official of the Chinese Government, provided they have acquired a knowledge of English sufficient to enable them to enter a primary or high school in Canada.

17. This Agreement shall remain in force for a period of ten years reckoning from the date of signature. Either High Contracting Party shall have the right, six months before the expiry of this Agreement, to give notice to the other of its desire to revise or terminate the same; if no such notice is given within the stipulated period, it shall remain in force for a further period of ten years reckoning from the end of the first period.

776. *Secretary of State for India to Prime Minister*

India Office, September 10, 1915

Dear Sir Robert,

I hope you have not forgotten in the midst of your many other preoccupations the short conversation we had at my house on the subject of Indian settlers in Canada. I now have the pleasure to enclose for your consideration a memorandum on the subject which I have had prepared in the India Office in accordance with the permission which you then gave me. I have discussed it informally with the members of my Council, including Sardar Daljit Singh whom you were good enough to receive when you were in London, and they have all expressed their concurrence in it. I am sending a copy of it also to the Viceroy in the same private and informal way, and I am pressing upon him, as I have already pressed upon my Council, the necessity that India should modify the *non possumus* attitude which she has hitherto assumed whenever the Government of Canada has suggested that she should actively co-operate to restrict emigration within specified limits. I do not think that the moment is opportune to raise the question officially either with your Government or with the Government of India until I know more clearly what is

possible in the way of give and take on the one side and the other. I know how difficult a problem it is for you and I do not think it reasonable to expect, or to ask, that you should allow unrestricted Indian immigration. But you will pardon me for saying that the absolute bar placed upon the entry of Indian settlers into Canada at the present time, and still more the refusal to permit the wives and minor children of those who are already there to join them, do seriously add to the difficulty of the problems of Indian Government. As pointed out in the memorandum, this specially affects the Sikhs from whom many of our best soldiers are drawn and on whom, from the Mutiny onwards, we have been accustomed to rely with confidence for wholehearted support of the British Raj. For the first time in their history there has now been serious discontent among them and this has been largely due to, or at least made possible by, the exploitation of their grievances in this matter.

I am sure that under these circumstances you will forgive my insistence on the subject and that I shall have your sympathy even though you are obliged to regard the question from a somewhat different standpoint. I myself occupy a position half-way between the Canadian Government and the Government of India, and if I can help to bridge the gap which separates them I shall be only too glad to be of use. Any suggestions which you feel it possible to make to me privately and informally as a step towards official agreement will be welcomed and most carefully considered by me . . .

Yours sincerely,

AUSTEN CHAMBERLAIN

[ENCLOSURE]

Memorandum on Indian Immigration to Canada

CONFIDENTIAL India Office, August 26, 1915

1. The difficulties presented by this question date only from 1900. They were at their most acute stage little more than a year ago, when the *Komagata Maru* affair happened, and at the moment are quiescent. But they are not at an end. The present lull is due mainly to the war, but other circumstances contribute. The Indian promoters of the *Komagata Maru* venture have been thoroughly discredited, while the fact that recent disturbances in the Punjab were caused by Sikhs who had returned from British Columbia and the United States, perverted by the seditious teachings of the Indian revolutionary group established at and near San Francisco (whence the disloyal paper called *Ghadr* ["The Mutiny"] is sent to Indians all over the world), has made it difficult for moderate Indian politicians to say much about the Canadian question without seeming to give support to treason. As between the Dominion Government and the Government of India there is something like an impasse. The Government of India have always recognised that the

Dominion has been ready to acknowledge the Imperial importance of the question, and to handle the local difficulty with an eye to the effect upon British rule in India of the measures that Canada is obliged to take with regard to Asiatic immigration. There has been nothing approaching friction between the two Governments. But the Government of India have hitherto refused to curtail the freedom of British Indian subjects to leave India (except when it was a question of ensuring favourable conditions for indentured labourers whom British Colonies or friendly nations *wished*[1] to import), while the Dominion Government have been compelled by even stronger considerations to restrict the immigration of Asiatics. The Government of India have felt bound to regard the question as one of political principle. If they were to forbid the emigration of Indians to countries in which they can live and make money, their action would be resented by the Indian people as arbitrary and unjustifiable. The Emperor of Japan can take measures of this kind because of the very peculiar moral authority that he exercises over his subjects, and, even so, Japanese policy in this matter extends to all Japanese subjects. But the Indian Government believe, from their experience in similar controversies, that if they were to prohibit Indians from proceeding to Canada they would be attacked for denying to the particular class of British subjects that is under their own guardianship advantages within the Empire open to other British subjects. With the Government of Canada, on the other hand, the question presents itself as one of national preservation from racial elements which cannot be assimilated in the political and social life of a free European country.

2. At the close of the war both Governments will undoubtedly be faced by a revival of the question. This would in any event be inevitable, but special strength will be given to Indian claims, in every direction, by the part that India has played in the war. There will be claims in the first place for a fuller degree of self-government in India itself, and in the second place for a fuller admission of India into the partnership of the British Empire. Although there is no real parallel between the despatch of Indian troops to Europe, Egypt, East Africa and the Persian Gulf and the voluntary military aid given by the Dominions, because the Indian Army is a force under the absolute orders of the Imperial Government, still India has thrown herself into the war with enthusiasm. The Indian Army has welcomed the call, the

[1] The Indian Emigration Act has been cited by a private member in the Dominion Parliament as evidence of a desire on the part of the Government of India to prohibit free emigration. This is a complete mistake. The Act applies only to persons leaving India under contract to labour (generally persons of the "coolie" class properly so-called), and was passed simply because various tropical and sub-tropical British Colonies and foreign countries wanted to introduce Indian labour and were prepared to offer inducements to ignorant coolies to leave India. The Government of India, entirely in the interests of the labourers, took power to prevent contract-emigration to any country that had not made satisfactory arrangements (not only as regards legislation, but in the provision of hospitals, Government inspection of estates, grant to return passages, etc.) for the welfare of the labourers. The Act could have no bearing upon the Canadian question unless the Dominion Government itself thought of importing Indian labourers under contracts made in India. [Footnote as in document.]

Indian members of the Legislative Councils have supported the Imperial policy, the leaders of the various committees in British India have subscribed generously and the Rulers of the Indian Native States have placed all the resources of their States, men and money, at the disposal of the King-Emperor. And for the first time in history Indian soldiers are fighting side by side with British, Canadians, Australians, New Zealanders (to whom South Africans will probably be added) against European enemies of the British Empire. India regards herself as an active partner in this great contest.

3. It may therefore be useful to attempt a short summary of the main facts as regards Indian immigration into Canada.

4. As a practical question this affects only British Columbia. The geographical position of the province forced it to think about the question of Asiatic immigration 50 years ago, but, for some time, only in the shape of Chinese immigration. The Japanese question arose in an acute form only after the recognition of Japan as a Great Power. The Indian question was of no practical importance until 1906. Natives of Northern India, Sikhs and other Punjabis, had for some time past been employed as policemen in Hong Kong and the British Concessions in China. They found lucrative opportunities in the Far East, and more of them came from India, taking private employment in such capacities as watchmen. About 1906 some of them discovered that very high wages could be earned in British Columbia. The Sikh is a very fine soldier, but he also has the money-making instinct strongly developed, and, being adventurous and prepared to "rough it," he was quite ready to cross the Pacific. Just at first he met with considerable encouragement. Manual labour was scarce and wages high in British Columbia, and a supply of able-bodied Indian labour, ready to work well for a moderate wage and giving no trouble in the matter of trade-union rules, was distinctly useful to white employers. Steamship companies saw the opening of a very profitable enterprise, and actually touted in India for emigrants. The earliest Indian settlers wrote to their friends at home describing the enormous (from Indian standards) wealth that could be won, while a few better educated Indians (including one or two Brahmins from Bengal) who had drifted to Vancouver were acute enough to see that they could live very profitably if they could establish an Indian community. The Indians found a considerable number of Asiatics—not British subjects—already established. Although British Columbia had imposed an entrance tax on Chinese, which had gradually been raised to $500, this tax had not prevented immigration. By 1911 there were 28,000 Chinese in the Dominion, and next year 7,000 entered—all males. Statistics about the Japanese are not available, but they were certainly more numerous than the Indians have ever been. The largest number of Indians at any time in British Columbia seems to have been not more than 5,000. The Sikhs, on their first arrival, had this one point in common with the Chinese, that they did not attempt to bring in their families. The first-comers were men who wanted to make money and return to India, where most of them owned land.

A few years in British Columbia would enable a Sikh to come home, clear his little holding of mortgages and put his family permanently in a better status. But some of the early arrivals found it easy to save enough out of wages to acquire real estate in British Columbia, and formed the idea of sending for their families and settling down permanently. By 1908 the Dominion Government was face to face with the possibility of an unlimited influx of Asiatics.

5. It was difficult to extend the heavy tax to Asiatics other than Chinese; in fact the Chinese policy was possible only because China was never in a position to make effective protest.[1] A heavy special tax on the subjects of Japan—by this time our ally—would have caused international friction, while a similar tax on one particular class of British subject would have raised very troublesome Imperial questions. The Dominion and Indian Governments have been in touch from the first, and in December, 1906, the latter, at the request of the Secretary of State for India, issued warnings as to the difficulties likely to meet Indian immigrants in British Columbia, where some had already suffered from a contraction of the local demand for labour. The two Governments combined in discouraging the efforts of steamship companies to tout for Indian passengers. But it was not until the beginning of 1908 that the Dominion Government issued an Order in Council prohibiting the landing of immigrants unless they came by continuous journey from their country of birth or citizenship on through tickets purchased before starting. The advantage of the form adopted for this important order was that it did not discriminate against Indians by name, though in practice, for the moment, it prevented their admission. The obvious disadvantage is that it will fail to meet its object if ever a direct line of steamers is established between an Indian port and Vancouver. (The possibility of a Japanese line for this route is always present. If the *Komagata Maru* had sailed from Calcutta or Rangoon instead of from Hong Kong it would have evaded this particular obstacle.) The Canadian Order in Council of January, 1908, which had been based on temporary labour conditions, was followed by an amendment of the Immigration Act taking power to prohibit the landing in Canada "of any specified class of immigrants, or of any immigrants" who had not come by continuous journey. It is unnecessary to follow in detail the slight amendments necessitated by certain Canadian judgments, or the successive forms taken by the other provisions now to be described. The legal position now is that under Section 38 of the Canadian Immigration Act (1910, amended in 1911) the Governor in Council may, whenever he thinks it necessary or expedient—

> (*a*) Prohibit the landing in Canada or at any specified port of any immigrant who has come to Canada otherwise than by continuous journey from the country

[1] China has recently (1914) suggested that the tax should be abolished on condition of a limitation by the Chinese Government of the number of immigrants to Canada. [Footnote as in document.]

of which he is a native, or a naturalized citizen, and upon a through ticket purchased in that country or prepaid in Canada;

(*b*) Prohibit the landing of passengers brought by any transportation company which refuses or neglects to comply with the provisions of the Act;

(*c*) Prohibit for a stated period, or permanently, the landing in Canada, or the landing at any specified port of entry in Canada, of immigrants belonging to any race deemed unsuited to the climate or requirements of Canada, or of immigrants of any specified class, occupation, or character.

6. The power given by Section 38 (*a*) has been used in an Order in Council now in force. The very wide powers given by Section 38 *(c)* have not as yet been applied in any racial sense. But the section has recently been used to suspend the entry of all labourers or artisans (irrespective of race) at the Pacific ports, though this general prohibition will presumably be withdrawn with the return of more prosperous conditions.

7. The continuous journey Order was quickly followed by another Order in Council in June 1908, prohibiting the entrance into Canada of all Asiatics other than those who had $200 in their possession. The present position as regards this is as follows:

Under Section 37 of the Immigration Act "Regulations made by the Governor in Council may provide as a condition for permission to land in Canada that immigrants and tourists shall possess in their own right money to a prescribed minimum amount, which amount may vary according to the race, occupation, or destination of such immigrant or tourist, and otherwise according to the circumstances." Regulations may also be made requiring the production of passports or penal certificates by persons coming from countries which issue such documents. (India does not.)

8. The Order in Council under Section 37 (as now amended) directs that no immigrant "of any Asiatic race" shall be permitted to land unless he possess in his own right money to the amount of at least $200. "Provided that this regulation shall not apply to any person who is a native or subject of an Asiatic country as to which special statutory regulations inconsistent with this regulation are in force, or with which there is in operation a special treaty, agreement, or convention binding the Government of Canada if the provisions of this regulation be inconsistent with the stipulations of such treaty, agreement, or convention."

9. Chinese are subject to other special statutory regulations, while there is a special agreement with Japan. British Indian subjects, therefore, are the only Asiatics who are, in practice, much affected by this latter Order, though it applies equally to people like Siamese or Persians, or to other British Asiatic subjects like Malays.

10. The special agreement with Japan dates from 1907, when M. Lemieux was sent there to negotiate, after anti-Japanese riots at Vancouver. Japan agreed to limit, by a passport system, the emigration to Canada of Japanese subjects of the labouring class to a number not exceeding 400 annually, and to confine passports for Canada to emigrants who were either persons previously

resident, *or the wives and families* of Japanese residents, or domestics, or agricultural labourers engaged by residents, or labourers introduced under contracts approved by the Dominion Government. Japanese of the better class are freely admitted as visitors. It may here be noted that by an arrangement made in 1912 the Dominion Government agreed to allow permits (Immigration Act, Section 4) to educated Indians to visit Canada. There is therefore no real difficulty about Indian tourists or visitors, though some complaints have been made that Indians of the trading class have not been given permits to come over from the United States on business.

11. The Lemieux Agreement settled the acute difficulty with Japan. Two events of 1908[1] should be noticed at this point. First, the visit of Mr. Mackenzie King to London and India, to which is largely due the mutual understanding that has prevented in the case of Canadian immigration the stiffness that has more than once been shown as between South Africa and India. Secondly, the abortive attempt of British Columbia to settle the Asiatic immigration question for herself. In 1908 British Columbia passed an Immigration Act on what is known as the "Natal" model, that is to say, an Act prohibiting the entry of immigrants who could not pass an educational test. Acts of this nature, first devised in Natal in 1897, have been passed in Cape Colony, the Transvaal, New Zealand, and several Australian Colonies (before federation), and are still in force in the Australian Commonwealth and New Zealand, though not now (except for certain purposes of movement from one province to another) in the Union of South Africa. The British Columbia Act was disallowed as *ultra vires*; it clashed with the treaty obligations of the Dominion.

12. The Government of India did not object to the continuous journey Order, or to the Order requiring Asiatics to possess $200, though the specification of race in the latter, while avoiding specific mention of Indians, made it open to a criticism not applicable to the former. Nor could they have objected to the British Columbia Act on the Natal model, since they have acquiesced in Australian and South African legislation. The Acts on the "Natal" model set up an educational, not a racial, test, and thus in form contain nothing to which India can object. Whether they shall or shall not be liberally administered is a matter for the local executives, and the provision that an immigrant must read a passage in a European language selected by the immigration officer has been used in Australia to exclude immigrants who know English. The efficacy of these Acts, in fact, rests to some extent on a subterfuge.

13. The Indian community in British Columbia, however, have complained bitterly about the $200 rule, because a Japanese, if allowed to enter Canada, need possess only $50. Japan, they think, has been able to make better terms for her people than India. Indian opinion, as was said above, would certainly not support any attempt of the Government of India to restrict free emigra-

[1] It is unnecessary to comment on the scheme in connection with which Colonel (now Sir Eric) Swayne visited British Columbia at the end of 1908, for taking Indians from British Columbia to British Honduras. The Indians would not go. [Footnote as in document.]

tion, but the contrast offers an opportunity to Indian agitators to suggest that an independent India could make as good terms as Japan. The Government of India have been unable to depart from the position as regards the issue of passports that they took up when sounded in 1907.

14. Similarly, the "continuous journey" clause has been resented as in practice operating only against Indians. The two provisions combine to make an effective barrier against fresh Indian immigration, and since 1908 immigration has practically ceased. The loopholes revealed by certain cases brought before the Courts have been closed. A very large number of the Indians have gone back to India, whence those who have acquired Canadian domicile (a matter as regards which there have been numerous attempts at fraud on the part of new immigrants) will be able to return. Meanwhile, this small Indian community has acquired some land and has built Sikh temples. But with the exception of a very few women, wives of domiciled Indians specially admitted as an act of grace since 1908, the Indian community consists of adult males. They are held up to obloquy in British Columbia as immoral, while they are forbidden the company of their wives. (It may here be noted that the fears that have found voice in the Dominion Parliament as to the introduction of child marriage and polygamy if Indian women were allowed to enter are without substance: Sikhs do not practise child-marriage or polygamy, and the latter could easily be prohibited by the Dominion.)

15. A moderate and temperate representation was made a year ago to the India Office by loyal Sikhs of good standing who were in London, asking that the Dominion Government should be invited to allow Sikhs actually resident in British Columbia to bring in their wives and children, and to let a strictly limited number of fresh immigrants come in each year. The point that the petitioners had chiefly in mind seemed to be that unless at least the former of these concessions were allowed, the Sikh community in Canada would die out, and the Sikh temples become ruinous and desecrated.

16. The Government of India have urged that a relaxation of the rules might be allowed in the case of the wives and minor children of Indians domiciled in Canada. The Dominion Government have consented to waive in favour of these people the rule that each individual immigrant must possess $200, but have made that concession nugatory by refusing to relax the continuous journey provision.

17. The position, then, from the Indian point of view, is as follows:

1. No Indian can in practice now enter Canada unless he had previously acquired Canadian domicile, except as a temporary visitor. But 400 fresh Japanese immigrants may enter annually.

2. If it were possible for Indians to come to Canada by continuous journey, each immigrant would be required to own $200. But the Japanese immigrant need own only $50.

3. Indians domiciled in Canada may not bring their wives and children to join them. Domiciled Japanese may bring in their families and also domestic servants.

18. The seriousness of the question, as regards the British Empire in India, is that the people of the Punjab, the chief recruiting ground for the Indian Army, are the class of Indians practically affected, and the grievances of Sikhs as regards Canada have been very skilfully utilized by agitators to excite discontent in the Punjab. (The Punjab supplies no immigrants to South Africa, and the number of Punjabis in Australia is too insignificant to give rise to trouble.) The classes of Indians who go to South Africa are of no military importance; but the Sikhs, ever since the Indian Mutiny, have been a most important element, and the attempts of agitators to tamper with them have been closely connected with immigration grievances. The sentiment that Indians, as a whole, have a grievance against the Dominions, as a whole, is practically the one point on which the loyal leaders of Indian opinion and the martial races of Northern India are in agreement with disloyal agitators and with the lawyers and clerks who edit the vernacular newspapers of India.

19. On the other hand recent events, such as the murder of Mr. Hopkinson at Vancouver in 1914, the vendetta that followed between two local factions of Sikhs, and the fatal riot near Calcutta when the *Komagata Maru* passengers reached India, have undoubtedly brought home to the Dominion Government and the Canadian people in the Western Provinces the dangerous nature of Indian sedition, and must have strengthened their objections to admitting the Indian as a resident.

20. Indian politicians have in mind the possibility of a commission of inquiry and report such as brought about a settlement of the main troubles in South Africa. But the South African Government did not accept this solution until a very grave state of affairs had arisen in Natal (which has an Indian population of 140,000), accompanied by violent rioting. In the event the main demands of the local Indians were granted, and the concessions now made could have been given a little earlier with much greater advantage to South Africa, to India, and to the Empire. The Indian community in Canada is so small, and the local difficulty so much simpler than the Indian question in South Africa, that the expedient of appointing a special commission does not seem likely to be considered. But the importance of the question in its reaction on India is not to be measured by the mere numbers of the Indians in Canada.[1]

21. What then can be done by the two Governments of Canada and India, acting in concert and realizing the grave political consequences of letting things drift, to soften the grievances felt by India? The grievance that is most deeply felt is the separation from their families of Indians who have acquired domicile in Canada. If the Dominion Government would, like the South African Government, allow the wife and the minor children of a domiciled Indian to enter, the Government of India should have no difficulty, in principle or in practice, in granting a certificate signed by a magistrate to any wife or children of an

[1] South African conditions differ so widely from those of Canada that there is no close analogy between the two countries. But Indian immigration questions have certain points in common . . . . [Extract from footnote in document.]

Indian resident in Canada who furnished the Canadian authorities with exact particulars of his family. The certificates of identity furnished by the authorities in India would make it impossible for women of bad character to take advantage of the concession. The second grievance of substance is that the Indian community in Canada, unlike the Japanese community, is cut off from its native country by the absolute bar put upon fresh immigration. If the Dominion Government saw fit to announce that entrance permits for permanent residence would be granted to a certain number of British Indian subjects each year, the Government of India should find no insuperable objection in point of principle in furnishing that number of Indians with certificates giving full information as to profession or business, and including such a statement as to character as is already issued when a person is granted a passport for use in foreign countries. It would be too much to expect that the Dominion Government would consent to admit as many as 400 new Indian immigrants a year. But if the Government of India knew that some less number of Indians would be admitted to Canada, they could give certificates to that number (if so many applied), and could inform applicants beyond that number that while they were free to leave India at their own risk it was certain that the Dominion Government would not allow them to land in Canada during the year. The Dominions' policy of restricting immigration is understood in India, and it is the policy of absolutely prohibiting Indian immigration when alien Asiatics are admitted that is so deeply resented.

22. The two concessions here suggested would, if made, go far, it is thought, to allay the feelings with which Indian people of all shades of political opinion regard the immigration policy of the Dominion Government. If it were to concede them the Dominion Government would, it is submitted, be really in a stronger position to maintain in all other respects the restrictions which for good reasons it has definitely decided to place upon Asiatic immigration into Canada.

777. *Memorandum for Prime Minister*

Ottawa, January 22, 1916

Some time ago Mr. Christie left with me a confidential India Office memorandum on Indian immigration into Canada. This memorandum strikes me as a well written presentation of the case for the regulated admission of East Indians into Canada. I discussed the matter privately with Mr. W. D. Scott, the Superintendent of Immigration, who thinks that the time has arrived when we can no longer refuse to reconsider our position in regard to the admission of East Indians. This view, it seems to me, is strengthened by the part India is taking in the war.

Mr. Scott is prepared, should the matter be referred to him, to make a recommendation along the following lines:

1. That the Government should agree to the admission of the wife and minor children of any Indian lawfully resident in Canada who is in a position

to receive and care for his family. 'Minor children' might be limited in meaning to include persons under sixteen years of age. We frequently, in the case of British subjects from the United Kingdom, investigate the ability of the husband to care for his wife and family before agreeing to their admission, so that, in adopting the same arrangement in the case of Hindus, we should not be discriminating against them, and would, on the other hand, protect the Canadian province and municipality in which the head of the family was resident.

A certificate or other written assurance from the Indian Government, to the effect that the intending immigrants are the wife and family of the Indian lawfully resident in Canada, as they purport to be, should be required in each case.

2. That consideration should be promised for the admission of a limited number of Indians each year, those admitted to carry, as in the case of wives and children, a document of authentication from the Indian Government. Mr. Scott would not favour the admission of additional East Indian labour at the present time, owing to the unemployment now prevailing on the Pacific Coast, which necessitated the Order in Council now in existence prohibiting the entry at British Columbia ports of skilled or unskilled workers of any sort or nationality, but it might be intimated that the new arrangement would go into effect as soon as industrial and other conditions on the Pacific Coast warranted.

This seems to me very reasonable and fitting. In order, however, to clothe it in official form, it is necessary that the India Office memorandum should be referred to the Minister of the Interior.

Would the Prime Minister approve of this being done? I presume such reference would not include Mr. Austen Chamberlain's private letter to Sir Robert, which I return herewith.

JOSEPH POPE

778. *Prime Minister to Minister of Interior*

CONFIDENTIAL

Ottawa, June 2, 1916

Dear Dr. Roche,

I am enclosing a confidential printed memorandum sent to me last Fall by Mr. Austen Chamberlain, the Secretary of State for India.[1] It was prepared as a basis for discussion of the Hindu immigration question between His Majesty's Government and this Government.[2] I am also sending copy of a memorandum submitted by Sir Joseph Pope. The time is approaching for careful consideration of this whole question with a view to determining whether any change in our policy is necessary or desirable and I hope you

[1] Enclosure to Document 776.

[2] The question of reciprocity of treatment between India and the Dominions on migration matters was the object of resolutions at the Imperial War Conferences of 1917 and 1918. Resolution XXII, agreed to April 27, 1917, recognized the principle of reciprocity of treatment while Resolution XXI, adopted July 24, 1918, recommended that effect be given to this principle. For further references see Documents 477, 479, 481, fn. 1, 491, 501.

will be able to give some close attention to it in the near future. I have written to Mr. Burrell on the subject. The India Office memorandum should be returned to me when you are done with it.

Yours faithfully,
ROBERT L. BORDEN

779. *Governor General to Governor General of South Africa*

TELEGRAM Ottawa, May 8, 1917

Referring to your telegram April 4th.[1] Regulations governing admission of Japanese into Canada. My Ministers state that all emigration of contract labourers, artisans included, from Japan is now prohibited unless they come with permission of Canadian Government who in virtue of secret agreement[2] with Japan allow very limited number to enter Canada each year, but each one must carry permit from Japanese Government showing that he has been authorized to emigrate to Canada. *Bona fide* students, merchants and tourists from Japan continue to enjoy freedom of entrance into Dominion. There has been no modification of regulations so far as Japanese are concerned since war broke out but they have same facilities as other nationalities for carrying on business. Any conditions imposed such as referred to in Query No. 3 of above mentioned despatch are matters which are under control of Province or local municipality but so far as my Ministers are aware Japanese are not under any special or peculiar disability in this regard.

DEVONSHIRE

[1] This asked for information on (1) regulations governing admission of Japanese, (2) facilities allowed for carrying on business, (3) conditions on which trading permits were granted and (4) war-time modification of customary procedures.

[2] Reference is to the Lemieux Agreement.

CHAPTER VII

RELATIONS WITH INDIVIDUAL COUNTRIES

Belgium: commercial relations; Bolivia: commercial relations; British West Indies: commercial relations, subsidized steamship service, communications, political union; Denmark: commercial relations; France: commercial relations; Germany: commercial relations; Italy: commercial relations; Japan: commercial relations; The Netherlands: commercial relations; Portugal: commercial relations; United States: commercial relations, Pecuniary Claims Agreement of 1910, naval vessels on the Great Lakes, Panama Canal tolls.

BELGIUM: COMMERCIAL RELATIONS

780. *Governor General to Colonial Secretary*

SECRET DESPATCH

My Lord, Ottawa, May 9, 1910

I had the honour to send to you, to-day, a telegraphic message in cypher, of which the following is the substance: Belgian and Italian Consuls are making representations to Canadian Minister of Finance respecting commercial relations with their countries. It is probable that temporary agreements can be reached, pending the making of permanent treaties through the proper channel. If these Consuls are authorized by their respective Governments to make such temporary arrangements, my Government hope that, as in the case of the temporary arrangement with Germany, no objection will be made by the Imperial Government to the Consuls so acting.[1] The arrangements, if made, will probably take the form of granting to these countries some portion of the Canadian intermediate tariff, which the Canadian Government are authorized to grant by Order in Council.

I have etc.

GREY

781. *Minister of Finance to Consul General of Belgium*

Dear Mr. Ketels, Ottawa, June 6, 1910

Referring to the several interviews which we have had on the subject of commercial relations between Belgium and Canada, I desire, on behalf of the Canadian Government, to reciprocate the assurances you have given me of

[1] See Document 7, page 6.

the disposition of your Government to maintain the friendly commercial arrangements which have so long existed between the two countries.

With respect to your desire that Canada should extend to Belgium all the benefits granted to France by the recent convention respecting commercial relations between Canada and France, I must point out that this could only be done through the making of a formal treaty by plenipotentiaries duly authorized by His Majesty the King, on behalf of Canada, and His Majesty the King of Belgium, to be confirmed later by the Parliament of Canada and, I presume, by the Belgian legislative authority. If we should confine our view of the question to action along these lines, some considerable delay would inevitably occur. I have understood that it is your desire that some steps should be taken which would secure at a very early day an improvement in the position of Belgium in relation to Canadian trade.

The Canadian Government have the power to grant to Belgium by Order in Council the concessions of the intermediate tariff upon the articles mentioned in Schedule B to the French Convention. We can also grant the intermediate tariff rates on the articles mentioned in Schedule C, but not the special rates therein set forth. I do not think Belgium is very much interested in this schedule. I have understood that if we could give Belgium immediately the intermediate rates on the articles mentioned in the two schedules your Government would regard it as a satisfactory commercial arrangement between the two countries for the time being, reserving, of course, the question of the making of a more permanent arrangement by definite treaty at such time as might be found mutually convenient.

With respect to the question of transportation, which has been the subject of discussion between us, if the intermediate tariff rates are to be granted to Belgium on the articles herein referred to, such articles would be entitled to such intermediate rates when imported direct from Belgium or from a British country; that is to say, when conveyed without transhipment from a port of Belgium or from a port of a British country into a sea or river port of Canada. As respects similar articles coming to Canada from countries entitled to the benefits of the Franco-Canadian Convention, such countries would be entitled to the privilege of shipping such goods through Belgian ports, inasmuch as Belgium, under the proposed arrangement, would become a territory enjoying the intermediate tariff as respects such articles.

If I can receive your assurance that what I have here suggested would be deemed by your Government a satisfactory commercial arrangement I shall be able to present the matter to my colleagues in a form upon which early action may be taken.

Yours faithfully,

W. S. FIELDING

782. *Consul General of Belgium to Minister of Finance*

Ottawa, June 6, 1910

Dear Mr. Fielding,

I have the honour to acknowledge the receipt of your letter of the 6th instant which you have been good enough to send me on the subject of the improvement of the commercial relations between Canada and Belgium.

You kindly propose to extend to Belgium by Order in Council the benefit of the intermediate tariff on the articles enumerated in Schedule B of the Franco-Canadian Convention of the 17th September, 1907. Further, Belgium would likewise be granted the benefit of the intermediate tariff on the articles mentioned in Schedule C of the said convention.

I am authorized by His Majesty's Government to accept as satisfactory this offer. In doing so, let me press upon you the very earnest desire of my Government to conclude with the Dominion of Canada a commercial treaty as soon as a mutually convenient opportunity can be found. Such a convention would tend to improve between the two countries those friendly relations which His Majesty's Government values most highly.

You have been good enough to refer specially in your letter to a question to the solution of which my Government attaches great importance, and that is the question of transportation. I am glad to learn that under the contemplated arrangement articles entitled to the benefits of the Franco-Canadian Convention, coming into Canada from countries to which the Convention applies, will be entitled to the benefit of shipment through Belgian ports.

Let me take this opportunity, dear Mr. Fielding, of repeating to you my expression of the very highest respect.

H. KETELS

783. *Order in Council*

P.C. 1204

June 7, 1910

On a memorandum dated 6th June, 1910, from the Minister of Finance inviting consideration to the trade relations between Belgium and Canada:

The Minister states that prior to the 1st of August, 1898, these relations were governed by the Treaty of Commerce and Navigation between Great Britain and Belgium, of date July 23rd, 1862. This treaty contained a provision, similar to the one in the Treaty of Commerce between Great Britain, on the one part, and Prussia and the States of the Zollverein on the other part, of date May 30th, 1865, to the effect that articles the produce or manufacture of Belgium should not be subject in the British Colonies to other or higher duties than those which were or might be imposed upon similar articles of British origin. This provision, being deemed a restriction of the right of the self-governing colonies to grant a tariff preference to the Mother Country, was regarded as objectionable. Efforts were accordingly made to have Great Britain, as one of the High Contracting Parties, give notice of its intention to terminate these treaties. Notice was accordingly given and on the first day of August, 1898, the treaties were terminated and in consequence the restriction referred to was removed.

While such termination resulted in considerable friction between the German Government and the Dominion Government, no such friction arose as respects Belgium. The Belgian Government took no exception to the granting of a preference by Canada to British goods, thus impliedly recognizing that the granting of the preference was a matter affecting the internal affairs

of the British Empire; and Canada has continued to enjoy most favoured nation treatment on the importation of Canadian products into Belgium.

The Minister observes that Belgian products and manufactures have been and now are subject to the rates of customs duties set forth in the general tariff;

That the Belgian tariff is one of the lowest in Europe. On several leading articles of export from Canada to Belgium, such as wheat, barley, ores of all kinds, asbestos and lumber, there are no customs duties, while on manufactured articles such as Canada exports the range of duties is from two per cent to twelve per cent. There is, therefore, no reason on the part of Canada to complain of the rates of customs duties imposed by Belgium;

That the Consul General of Belgium, having called attention to the favourable treatment which Belgium has accorded to the products of Canada, desires that the concessions granted by Canada to France and certain other countries should also be extended to Belgium. If it were deemed expedient to grant this request it could only be accomplished by legislation, inasmuch as there is in the Convention respecting the Commercial Relations between Canada and France one schedule of special rates not found in the Canadian intermediate tariff.

The Minister is of opinion that action may properly be taken to grant to Belgium the rates of the intermediate tariff as respects the articles in the schedule hereto attached.

The Minister, therefore, recommends, that, in consideration of the benefits hereinbefore referred to accorded by Belgium to the products of Canada, the Governor in Council, by Order in Council, extend, under the provisions of the Customs Tariff, 1907, the benefit of the intermediate tariff to the goods enumerated in the schedule hereto, the produce or manufacture of Belgium, provided such goods are imported direct from Belgium or from a British country.[1]

The Minister further recommends that, in order to secure the advantages aforesaid, such goods shall only be deemed to be imported direct when conveyed without transhipment from a port of Belgium or from a port of a British country into a sea or river port of Canada.

The Minister also recommends that the Order in Council founded hereon be published in an issue of *The Canada Gazette* to be published on the tenth day of June, 1910.

The Committee submit the same for approval.

BOLIVIA: COMMERCIAL RELATIONS

784. *Colonial Secretary to Governor General*

DESPATCH 527

Downing Street, August 2, 1912

Sir,

With reference to my despatch No. 885A of the 1st November 1911, I have the honour to transmit to Your Royal Highness to be laid before your

[1] For P.C. 1205 and Schedule see *The Canada Gazette (Extra)*, June 10, 1910.

Ministers the accompanying copies of the Treaty of Commerce between the United Kingdom and the Republic of Bolivia,[1] the ratifications of which were exchanged at London on the 5th July.

2. This Treaty supersedes the existing Treaty between the two countries and your Ministers will observe that under Article XV the Treaty is not applicable to any of His Majesty's Oversea Possessions unless a notice is given in respect of that Possession by His Majesty's representative in the Republic of Bolivia to the Bolivian Minister of Foreign Affairs within one year from the 5th July, the date of the exchange of the ratifications of the Treaty.

3. I shall be glad to learn in due course whether your Ministers desire that the Treaty should be made applicable in respect of Canada.

I have etc.

L. HARCOURT

785. *Order in Council*

P.C. 2462 September 16, 1912

The Committee of the Privy Council have had before them a report, dated 7th September, 1912, from the Minister of Trade and Commerce respecting a despatch from the Right Honourable the Secretary of State for the Colonies, dated 2nd August, 1912—No. 527—, covering a copy of a Treaty of Commerce between the United Kingdom and the Republic of Bolivia, signed at La Paz on August 1st, 1911, and ratified at London on July 5th, 1912, and requesting that the Government of Canada should intimate their wishes as to whether the Treaty be made applicable to Canada.

The Minister observes that:

1. The Treaty provides for very full and extensive reciprocal rights and privileges of commerce and intercourse, of travel and residence, of business and legal protection, of holding and disposing of property. In all cases, each country grants to the other the treatment of the most favoured nation.

2. The stipulations of the Treaty are applicable to Canada only upon notice to that effect being given through the proper official channel within one year from the date of ratification, and in case of adhesion the Treaty can be separately terminated on twelve months' notice being given on its behalf. It is provided in Article XV that any of his Britannic Majesty's Colonies shall, even if it does not adhere to the Treaty, enjoy in Bolivia complete and unconditional most favoured nation treatment, so long as it shall accord to goods the produce or manufacture of Bolivia treatment as favourable as it gives to the produce or manufactures of any foreign country.

[1] Cd. 6267, *Treaty Series*, 1912, No. 17.

3. The trade of Bolivia for the year 1910 amounted in exports to $29,200,000 and in imports to $18,975,135, to which Canada contributed nothing by way of exports and $601 in imports. For the five years ending 1912, Canada has imported nothing from and exported an average of $2,264 to Bolivia.

The exports of Bolivia consist chiefly of minerals, rubber, cocoa, and raw hides, and her imports are manufactured goods of all varieties. The bulk of her exports go to the United Kingdom and Germany and her imports are mainly drawn from those two countries, the United States, Belgium and South America.

The Minister, in view of the present condition of trade and of the provision in Art. XV above mentioned, does not consider it advisable that any action should be taken with a view to formal adhesion to the Treaty.

The Committee concur in the foregoing and advise that Your Royal Highness may be pleased to inform the Right Honourable the Principal Secretary of State for the Colonies in the sense hereof accordingly.

All which is respectfully submitted for approval.

BRITISH WEST INDIES

786. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH

Downing Street, April 8, 1909

My Lord,

I have the honour to acknowledge the receipt of your confidential despatch of the 29th of December enclosing an approved Minute of the Privy Council[1] with reference to the continuation of the steamship service between Canada and the West Indies after the expiration of the present contract on June 30th, 1910.

2. In reply I have to request you to communicate to your Ministers confidentially the enclosed copy of correspondence between the Colonial Office and the Treasury, which shows the present position of affairs with regard to the question of a contribution from Imperial funds, and I would ask you to refer in this connexion to the 3rd paragraph of my predecessor's confidential despatch of the 22nd of May, 1906.

I have etc.

CREWE

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[1] P.C. 2721, December 24, 1908. The steamship service to the West Indies was provided by a Halifax company, Pickford and Black, Ltd., which had been given a five-year contract in 1900. The company received an annual subsidy of $67,700 from the Canadian Government and a similar sum from Great Britain. In spite of complaints regarding the infrequency of visits and the lack of cargo capacity of the vessels, the contract for the service was renewed for short terms in 1905, 1906, 1910, 1911 and 1912. A new agreement, with a different firm, was signed in 1913. See Document 824.

[ENCLOSURE 1]

Colonial Office to Treasury

No. 1177/1908-9

Sir, Downing Street, February 16, 1909

With reference to your letter No 8600/06 of the 15th of May, 1906, I am directed by the Earl of Crewe to transmit to you, to be laid before the Lords Commissioners of the Treasury, a copy of a despatch from the Governor General of Canada with reference to the continuance of the steamship service between the Dominion and the West Indies now carried on under a contract which expires on the 30th of June, 1910.

2. Their Lordships are aware that the question of the trade relations between the West Indies and the Dominion has during the last twelve months engaged the close attention of His Majesty's Government, and that they are now about to advise His Majesty to appoint a Royal Commission, including representatives of the Canadian Government, to inquire into the whole subject. It is proposed to include, amongst the terms of reference to this Commission, a request for a report on the question of improving the steamship communication between Canada and the West Indian Colonies.

3. Lord Crewe feels that it would be premature to anticipate the report of the Commission by arranging for a renewal of the present contract for a term of years or for another contract on similar lines. But he thinks it improbable that there will be sufficient time before the 30th of June, 1910, for effective action to be taken upon the report of the Commission, even if the report itself is received before that date.

4. At the same time the Secretary of State considers that it is of much importance that the present facilities for steamship communication between Canada and the West Indies should not be allowed to lapse. Therefore, before replying to the Governor General, he would ask Their Lordships for an assurance that, if no other arrangements are recommended and completed before the present contract expires they will consent to a prolongation of the existing service and of the existing contribution from Imperial funds for a further period of one year from the 30th of June, 1910.

I am etc.

R. L. ANTROBUS

[ENCLOSURE 2]

Treasury to Colonial Office

Sir, Treasury Chambers, March 2, 1909

I have laid before the Lords Commissioners of His Majesty's Treasury Mr. Antrobus' letter of the 16th ultimo (1177/1909) suggesting the possible prolongation for a further period of one year from the 10th June, 1910, of the existing subsidised steamship service between Canada and the West Indies.

In reply I am to request you to inform the Earl of Crewe that for the reasons stated in the Treasury letter of the 15th May, 1906, (8600/06), My Lords regret that they cannot contemplate the continuance of the existing contribution from Imperial funds to this service beyond the date of expiration of the present agreement.

I am etc.

T. L. HEATH

[ENCLOSURE 3]

Colonial Office to Treasury

Sir, Downing Street, April 8, 1909

I am directed by the Earl of Crewe to acknowledge the receipt of your letter No. 3737/09 of the 2nd instant with reference to the proposed prolongation for one more year of the steamship service between Canada and the West Indies at present carried on by Messrs. Pickford and Black, and to express his regret that Their Lordships decline to accept the recommendation put forward in the letter from this Department of the 16th of February.

2. The Secretary of State cannot however at present acquiesce in the apparently contemplated refusal of any assistance from Imperial funds for a future steamship service between Canada and the West Indies. As His Majesty's Government have decided to advise His Majesty to appoint a Royal Commission to consider, *inter alia,* an improvement of steamship communication between the Dominion and the West Indian Colonies, it will clearly be necessary for them to consider the recommendations of the Commissioners; and these may very possibly include a recommendation for assistance from Imperial funds.

I am etc.

H. BERTRAM COX

787. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM [London,] May 14, 1909

SECRET. West Indian Royal Commission.[1] Your cypher telegram of 3rd May. H.M. Government agreeable to postponement of selection of Canadian representatives.

Great importance is attached by H.M. Government to inclusion of Mr. Fielding, though this consideration of course must yield to the exigency of

[1] A preliminary conference concerning trade between Canada and the West Indian colonies was held in Barbados in January, 1908. Recognizing the difficulties inherent in the negotiation of separate trade agreements with each colony, Canada proposed, by Order in Council dated August 31, 1908, that a Royal Commission be appointed to study the whole question. The Report of the Royal Commission, August 19, 1910 (Cd. 5369, 1910) provides a useful summary of previous Canadian-West Indian trade relations.

his high ministerial office. On his arrival in London I shall be glad to discuss outstanding questions with him.

Generous offer of Canadian Government to defray a share of expenses much appreciated by H.M. Government and they would suggest that Canada might pay expenses of Canadian members plus one third of the other expenses of Commission.

CREWE

788. *Colonial Secretary to Governor General*

TELEGRAM London, August 4, 1909

Referring to my telegram 14th May, I have learnt with much pleasure that Mr. Fielding and Mr. Paterson will serve on West Indies Royal Commission. Names will be submitted to His Majesty the King shortly. I will inform you when publication can be made. British members leave Liverpool for New York 11th September. Despatch follows by mail.

CREWE

789. *Colonial Secretary to Governor General*

TELEGRAM London, August 13, 1909

My cipher telegram 29th March. Following communication being made in the press today. Begins. His Majesty the King has been pleased to approve of the appointment of the Right Honourable Lord Balfour of Burleigh, K.T., the Honourable William Stevens Fielding, Minister of Finance and the Honourable William Paterson, Minister of Customs in the Dominion of Canada, Sir. John Poynder Dickson-Poynder, Baronet, D.S.O., Member of Parliament and Sir Daniel Morris, K.C.M.G. to be Commissioners to investigate and report upon the measures that may be taken for the promotion of closer trade relations and for the development of mutual trading facilities between the Dominion of Canada and the British West Indian Colonies. His Majesty the King has also been pleased to approve of the appointment of Mr. H. R. Cowell of the Colonial Office to be Secretary to the Commissioners. Mr. R. H. McCarthy, C.M.G. has been selected to accompany Royal Commission as technical adviser. Ends. Please do not publish instructions to Royal Commissioners pending further telegram from me.

CREWE

790. *Letter of Instructions addressed to Commissioners by Colonial Secretary*

My Lord, Downing Street, August 18, 1909

I have the honour to transmit to you copies of a Royal Commission appointing you a Commissioner to inquire into the question of trade relations between Canada and the West Indian Colonies.

2. I have also to inform you that His Majesty has been pleased to direct that Your Lordship (Lord Balfour of Burleigh) shall be Chairman of the Commission.

3. In the following paragraphs of this letter I wish to supplement the terms of the Commission by noting some points to which His Majesty's Government desire the attention of the Commissioners to be specially directed.

4. The first duty of the Commissioners should be to inquire to what dimensions the trade between Canada and the British West Indies has already attained; what increase has taken place in late years, and to what causes it may reasonably be attributed, more especially how far any such increase is due to the preference granted by the Canadian Government to produce grown in and shipped from the British West Indies. Their second duty should be to consider by what means it may be possible to promote and extend this trade; to inquire and to report as to what advantages the British West Indian Colonies may be able and willing to give to imports from Canada, more particularly by the reduction of duties, and whether on the other hand, the existing markets in Canada for West Indian produce, especially for sugar and molasses, may be secured and extended.

5. The term "British West Indies" for the present purpose, His Majesty's Government are disposed to think might, if the Canadian Government concur, with advantage include Bermuda, the Bahamas, and British Honduras, in addition to the British West Indian Islands, as usually so called, and British Guiana; but on the one hand it is not desired to extend the inquiry to any Colony, if to do so would override the express wishes of the Government and the Legislature of the Colony, and on the other it is desired to give as much latitude as possible to the Commissioners with regard to the scope of their recommendations. In any case, it is not contemplated that it will be found possible for all the Commissioners personally to visit all the Colonies in question. The movements of the Commissioners, the length of time which they can devote to their labours, the manner in which the inquiry shall be conducted, and all similar details are left to their discretion, but regard will no doubt be had to any wish expressed and representations made by or on behalf of the Dominion of Canada, or of any of the West Indian Colonies; and it is suggested that the proceedings might with advantage be initiated at Ottawa and concluded in London, a hearing being given to those who in Canada and in the United Kingdom have West Indian interests, and may wish to communicate their views on the subject of the inquiry.

6. It is already understood, both in Canada and in the West Indies, that trade advantages given by the West Indies to Canada will in any case be conceded to the same products coming direct from the Mother Country, and the Commissioners should report on this basis. They should also bear in mind that His Majesty's Government have undertaken that in any arrangement which may be arrived at between Canada and the West Indies due regard will be had to the interests of Newfoundland.

7. They should consider, having regard to the views which have been expressed by the Canadian Government, how far, in framing any reciprocal

trade arrangement between Canada and the British West Indies, it may be either possible or desirable to deal with the British West Indies collectively, and whether it may not be well, while framing an arrangement applicable to all, to make the application permissive in the case of the individual Colonies, so that those Colonies which may be willing to accept the proposals at once may do so, and the others may have the option of adhering at a later date.

8. While thus having regard to the interests and the inclinations of the separate West Indian Colonies so that they may receive every consideration consistent with due regard to the interests of Canada, the Commissioners should bear in mind that any recommendations which they can make in the direction of a uniform system of customs duties for the British West Indies will be for the benefit of those Colonies, and tend to facilitate the objects of the inquiry.

9. While desirous that the subject of commercial reciprocity between Canada and the British West Indies should receive the fullest attention, His Majesty's Government are at the same time anxious that other possibilities of promoting closer trade relations should not be overlooked, and I would, therefore, invite the Commissioners to consider what new openings may be likely to present themselves, and what facilities may be given for developing the resources of the West Indian Colonies, and how far additional capital may be required for such development, and whether such capital may be forthcoming from Canada, supplementing the Canadian banking and commercial interests which are already in existence in the West Indies. They should also specially report on the possibility of more efficient and more frequent steam communication, and upon possible improvements in and cheapening of telegraphic communication between Canada and the West Indies, either by arrangement with existing companies or in some manner not unduly conflicting with present interests.

10. In addition to the Secretary, the Commissioners will be given the service of Mr. R. H. McCarthy, C.M.G., as expert adviser, and I cannot doubt that his familiarity with the subject-matter of the inquiry, and his close personal knowledge of the West Indies will greatly lighten the labours of the Commission.

11. I shall also be prepared, on learning when the Commissioners propose to visit the West Indies, to consider with them what can be done, by special transport and otherwise, to expedite their movements and facilitate their work.

I have etc.

CREWE

791. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, November 15, 1909

In answer to your telegram of the 11th November. Fielding says movements of self and Paterson depend on business during present parliamentary session; as local Parliament has just been opened, too early to say when they

could leave. They could not be at Bermuda January 17th. They might perhaps be at Trinidad February 6th; even that is uncertain. They would have no objection to British Commissioners sitting as proposed. If when prospect of business of Canadian Parliament can be well judged they find themselves unable to join their colleagues on the Commission, they will be obliged to resign and allow Canadian authorities to suggest other Commissioners. They are very anxious to continue work of the Commission but find themselves much embarrassed by their parliamentary duties and the uncertainty as to the length of session.

GREY

792. *Colonial Secretary to Governor General*

TELEGRAM London, November 17, 1909

With reference to your telegram of the 15th November, Lord Balfour would view with profound regret, in which I concur, the resignation of either of the Canadian members of the Commission. To meet their difficulty, he is now suggesting that British Commissioners, after visiting Jamaica, should meet Canadian members at Barbados 14 February; it is earnestly hoped that one at least of Canadian members will be able to do so, but, if not, and if no other suitable alternative can be devised, I will be prepared if they agree to add on their nomination another Canadian member to the Commission, who will not be tied by political engagements for the remainder or the whole of the West Indian tour, to supplement but not supersede present members who it is hoped will visit this country later on and attend sittings in London. If they agree generally to these proposals I shall be glad of an early reply in order that transport arrangements may be made.

CREWE

793. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, November 23, 1909

With reference to your telegram 17th November. Fielding and Paterson agree to proposals regarding West Indies Commission and as far as possible will act accordingly.

GREY

794. *Colonial Secretary to Governor General*

DESPATCH 695
My Lord, Downing Street, November 25, 1909

I have the honour to transmit to you, for the information of your Ministers, a copy of a despatch from the Governor of Bermuda[1] covering a message

[1] Not printed.

from the House of Assembly with regard to the development of trade between the Dominion of Canada and the Colony.

2. A copy of Lieutenant General Kitchener's despatch, with the enclosure, has been forwarded to Lord Balfour of Burleigh.

I have etc.

CREWE

[ENCLOSURE]

Resolution of Bermuda House of Assembly

May it please Your Excellency: October 13, 1909

The House of Assembly respectfully requests that Your Excellency will be pleased to inform the Government of the Dominion of Canada that this Colony is most desirous of increasing its trade with the Dominion, and that whereas there is at the present time a Royal Commission meeting in Canada having for its object the promotion of better trade relations between the Dominion and the British West Indies, and whereas this Colony has now considerable trade with Canada mainly carried on by the line of steamers subsidized by Canada to maintain regular steam communication with the British West Indies, and any improvement in this service will in a great measure serve to bring about increased trade between Canada and Bermuda, this is thought to be an opportune time for this Colony to approach the Government of Canada.

The House also respectfully requests Your Excellency to express the hope that in the event of Canada granting preferential treatment in the matter of customs duties to the British West Indies, Bermuda, being also a British Colony, will at the same time be similarly favoured with respect to its agricultural products.

795. *Colonial Secretary to Governor General*

TELEGRAM London, January 6, 1910

Please communicate to Mr. Fielding: Deeply regret that you cannot accompany us to West Indies but am glad to learn that Mr. Paterson will join us at New York where I hope to see you also. Secretary of State for the Colonies is informing Governor of Newfoundland that I shall be pleased to meet Mr. Cashin informally in New York if he wishes, but if formal presentation of views of Government of Newfoundland would seem preferable their representative should either meet us in West Indies or in England on my return. [BALFOUR.]

CREWE

796. *Colonial Secretary to Governor General*

TELEGRAM London, June 9, 1910

My despatch of 8th April last year. I have been in further communication with Lords Commissioners of the Treasury as to approaching termination of Pickford and Black contract and am able to inform you that as a purely temporary measure and without prejudice to ultimate decision on questions involved, His Majesty's Government will ask Parliament to continue to pay British share of present subsidy for one year from thirtieth instant in order to allow time for consideration of report of trade relations Royal Commission if Dominion Government will do the same. If your Ministers agree to this I presume that they will arrange with Pickford and Black for continuance of service for one year on conditions of existing contract.

CREWE

797. *Colonial Secretary to Governor General*

DESPATCH 791
My Lord, Downing Street, October 27, 1910

I have already, in my despatch of the 28th September, furnished Your Excellency with copies of the Report of the Royal Commission on Trade Relations between Canada and the West Indies.

I shall be glad if you will inform your Ministers that I am taking steps to ascertain whether the Governments of the West Indian Colonies are prepared to negotiate for the conclusion of agreements with the Dominion Government on the lines suggested in paragraph 93 of the Report.

In the event of the Governments of some or all of the Colonies favouring the conclusion of such agreements, I shall be glad to learn whether your Ministers will be willing to discuss the details of the arrangement with delegates of the Colonies, in accordance with the suggestion of paragraph 98, and if so, under what conditions they would wish the discussion to be conducted.

I have etc.

CREWE

798. *Order in Council*

P.C. 2429 December 2, 1910

The Committee of the Privy Council have had before them a report, dated 26th November, 1910, from the Secretary of State for External Affairs, to whom was referred a despatch, dated 27th October, 1910, from the Right Honourable the Principal Secretary of State for the Colonies, on the subject of commercial agreements between Canada and the West Indian Colonies as suggested in the recent Report of the Royal Commission on Trade Relations between Canada and the West Indies, in which he—the Secretary of State for the Colonies—states that steps are being taken to ascertain whether the Governments of the West Indian Colonies will be prepared to negotiate with

the Dominion Government for the conclusion of such agreements, and whether, in the event of the Governments of some or all of the Colonies favouring the conclusion of such agreements, Your Excellency's Ministers will be willing to discuss the details of the arrangements with delegates of the Colonies, and if so, under what conditions they would wish the discussion to be conducted.

The Secretary of State for External Affairs states that the Minister of Finance observes that for reasons that are recognized in the Report of the Royal Commission it would not be expedient for Canada to undertake to negotiate such agreement with any one colony or even with several of the smaller colonies. The arrangements contemplated by the Royal Commissioners could only be made effective through the participation of a number of the colonies, including several of those having the largest population and trade. If it be ascertained by the inquiries that are being made by the Secretary of State for the Colonies that a sufficient number of the West Indian Colonies view the proposal with favour and are willing to engage in negotiations with Canada, Your Excellency's Ministers would be prepared to enter upon such negotiations at a convenient time. As the Canadian Parliament has now assembled, and parliamentary duties will for some time engage the attention of Your Excellency's Ministers, it is not likely that the conference could be held at an early date. Your Excellency's Ministers would, however, desire to consult as far as possible the convenience of the several West Indian Governments concerned both as to time and place of the conference.

That the Minister of Finance is of opinion that at the present stage of the question it is not necessary to go further into matters of detail, but that the Canadian Government should await the result of the inquiries that are being made as to the disposition of the several West Indian Colonies in the matter.

The Committee, on the recommendation of the Secretary of State for External Affairs, advise that Your Excellency may be pleased to forward a copy hereof to the Right Honourable the Principal Secretary of State for the Colonies.

All which is respectfully submitted for approval.

799. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH

My Lord, Downing Street, April 20, 1911

I have the honour to transmit to you, for the information of your Ministers, a copy of a despatch from the Governor of the Bahamas,[1] covering press reports of the public meeting held to discuss the possibility of the closer union of the Colony with the Dominion of Canada, and of the discussion which ensued in the Legislature, and of the resolution which was passed.

It will be seen that the public meeting was addressed by two Canadian gentlemen, Messrs. Macdonald and Macaulay, who happened to be staying in the Colony and who appear to have initiated the movements. In the

[1] For Colonial Secretary's reply see Enclosure 2, pp. 688-689.

course of his remarks Mr. Macaulay appears to have given an unduly favourable impression of the commercial benefits which the Bahamas would be likely to gain, upon the conclusion of the proposed reciprocity arrangement between Canada and the United States of America, in the event of the Colony entering the Canadian Confederation. It appeared to me necessary before the request addressed by the Bahamas Legislature to His Majesty's Government could be considered, to correct in the despatch of which I enclose a copy, the misapprehension which these remarks seem to have excited, and which has clearly influenced public opinion in the Bahamas in the direction of asking for further discussion of the proposals put forward by Messrs. Macdonald and Macaulay.

You will observe that the discussion in the House of Assembly was not altogether unanimous, and that several members appear to have supported the resolution on the subject either on the ground that it was non-committal in terms, or with a view to attracting public attention to the Colony.

I have etc. L. HARCOURT

[ENCLOSURE 1]

Governor of Bahamas to Colonial Secretary

DESPATCH 44

Nassau, April 4, 1911

Sir,

I have the honour to acknowledge the receipt of your telegram of the 3rd of April requesting me to send a report of the public meeting held on the 20th of February to consider the question of union with Canada, and asking for a full account of the debate in both Houses.

2. I have today cabled the dates of the local newspapers transmitted to the Colonial Office Library in which the meeting and the debates are reported, and I now transmit to you duplicate copies of the newspapers noted in the margin and have to inform you that the debates of the Legislature are not officially reported in this Colony, and that the minutes only contain a record of facts.

3. When the resolution, providing for the transmission of an invitation to Canada, was moved in the House of Assembly only one member, Mr. Evans was absent. Mr. Evans is one of three black members of the House all of whom support the Resolution, and was a member of the Committee nominated at the public meeting to draft it.

4. The six members who voted against the resolution were the Honourable J. W. Culmer, a member of the Executive Council, Mr. Harcourt Malcolm, a barrister, Mr. Anderson, Chief Clerk in the Post Office, Mr. Bethell, a publican, Mr. Sawyer, agent of the New York Steamship Company and Dr. Culmer, the Resident Surgeon of the hospital. The only member of this minority carrying weight in the house is Mr. Malcolm, a systematic opponent of any change. His chief opposition to the resolution was that the method by which the House had been approached was not the right one.

5. It is not however open to doubt that a considerable number of the supporters of the resolution were attracted by the terms of the draft which committed the House to nothing beyond a desire to ascertain whether and upon what terms Canada would admit this Colony to the Confederation. The financial aspect of the problem is regarded as the real crux. Unless Canada is prepared to be more generous than equity demands, and unless satisfactory measures for the transfer of some of the commercial indebtedness of Nassau from New York to Canada can be devised, the movement will lose supporters. As an illustration of the sensitiveness of the members of the Legislature to financial influences I recall the scheme drafted by the Government in 1907 for granting preferential treatment to the United Kingdom and Canada. The opposition to the proposals put forward was avowedly largely due to the fear of reprisals by the New York commission houses, to whom the Nassau community is largely indebted. The fear that influenced the mercantile mind then will operate largely to check the ardour of the supporters of confederation, unless a commercial movement is made in Canada to make provision for the transfer of existing liabilities.

6. The proceedings in the Legislative Council were very brief. The mover of the resolution stated that it merely in effect asked for an enquiry which could do no harm as it did not commit the Council to any definite expression of opinion on the question. Sir James Young voted for the resolution as it appeared to be the general wish of the community that an enquiry should be made. The President took some exception to certain parts of the resolution, but voted for it. No one else spoke.

7. Without doubt the idea of confederation with Canada has appealed very largely to the imagination of this community. There is a grandeur about the vision which it opens up which is very attractive, and hard times intensify the glamour. Since the hurricanes of 1908 the Colony has experienced phenomenal droughts which have involved great hardships and driven large numbers of the labouring population to respond to the attractions of Florida, where wages more than double those obtainable here are freely offered. The exodus and the poverty of the rest of the community have reacted disastrously upon trade and as I stated in my speech at the opening of the Legislature in January last "it is doubtful whether the merchants and traders of the Colony have for a very long time had so depressing a year as 1910". That union with Canada would benefit this Colony, and that the fiscal and other difficulties are not insurmountable I do not doubt, but whether Canada is prepared to become the fairy godmother is another question.

I have etc.

W. Grey Wilson

[SUB-ENCLOSURE]

Resolution of Legislative Council of Bahamas

First Reading March 13, 1911

Whereas it is desirable that every means should be adopted whereby the welfare and prosperity of the Bahamas may be increased, and whereas it

appears possible that the varied and valuable products of these Islands might be marketed on more favourable terms and conditions than those which now exist, if these Islands were a part of the Canadian Confederation.

Be it therefore resolved, that His Excellency the Governor be respectfully requested to invite the Imperial Government to sanction the transmission, by His Excellency, of an invitation to the Government of the Dominion of Canada to appoint Commissioners to confer with Commissioners, to be appointed by this Colony, to consider whether, subject to the approval of the Imperial authorities, an arrangement for the admission of this Colony to the Canadian Confederation would be feasible and desirable, and in the event of their so deciding, to further consider on what terms and conditions such an arrangement could probably be carried into effect, and to report to the Legislature of this Colony. Resolved, in the event of the Imperial Government concurring in the above that His Excellency the Governor be respectfully requested to take such steps as may appear to His Excellency best calculated to promote a full consideration of the question of the admission of the Colony to the Canadian Confederation, and at his discretion to appoint one or more representatives on behalf of the Legislature of this Colony, to convey the said invitation to the Government of the Dominion of Canada.

Resolved further that the Honourable the Legislative Council be invited to concur in the foregoing resolution.

[ENCLOSURE 2]

Colonial Secretary to Governor of Bahamas

CONFIDENTIAL DESPATCH

Sir, Downing Street, April 15, 1911

I have the honour to acknowledge the receipt of your telegram of the 4th April, on the subject of the agitation in the Bahamas for closer union with Canada.

The information with which you have furnished me on this subject is somewhat scanty, and in particular I regret that you have given me no particulars as to the character and standing of the persons who supported Messrs. Macdonald and Macaulay at the public meeting held on the 21st February, or as to the proceedings in the House of Assembly and the Legislative Council. At the time of receipt of your telegram the later newspapers cited in it do not appear to have reached this office.

I notice that in the course of the public meeting it seems to have been assumed that, if the Bahamas became a part of the Dominion of Canada, fruits from the Bahamas would become entitled to free entry into the United States under the proposed reciprocity agreement between Canada and the United States. A perusal of the terms of the proposed agreement will show that the fresh fruits to be admitted free of duty into the United States from Canada do not include oranges, limes, grape-fruit, shaddocks, pomelos, or pineapples. An appreciation of this fact will, I imagine, materially affect

opinion on the question of the advantages to be gained from incorporation in the Dominion.

I enclose copies of a parliamentary paper giving particulars of the proposed arrangement between Canada and the United States, and I request that you will take steps to secure that the position is clearly understood before the question of closer union with Canada is further debated in the Bahamas.

It will, moreover, be understood that, if the Bahamas became a Province of the Dominion, it would become necessary for them to adopt the whole of the Canadian customs tariff in detail against the world in general. This adoption would involve a disturbance of the existing channels of trade, the results of which it is impossible to foresee.

There are other difficulties—for instance those arising out of the existence in the Bahamas of a large coloured population—which would require very careful consideration. I do not, however, propose to discuss these on the present occasion, as it appears to me that the whole subject is not ripe for consideration by His Majesty's Government. It seems evident that the resolution of the local Legislature was passed under a very serious misapprehension as to the effects of the proposal on the commercial interests of the Bahamas; and I shall await the reports with which you will doubtless furnish me when you have succeeded in making the true position generally known.

I have etc.

L. HARCOURT

800. *Colonial Secretary to Governor General*

DESPATCH 603

My Lord, Downing Street, July 22, 1911

With reference to Your Excellency's despatch No. 539 of the 8th December last, I have the honour to state, for the information of your Ministers, that the recommendations of the Royal Commission with regard to reciprocity between Canada and the West Indian Colonies have now been accepted in principle by the Legislatures of Trinidad, Barbados, British Guiana, St. Lucia, St. Vincent, Antigua, St. Kitts, Dominica and Montserrat. The Legislature of Grenada have deferred consideration of the question, in the manner suggested in paragraph 93 of the Report of the Commission. No action has been taken in the matter by the Legislatures of Jamaica, British Honduras, Bermuda, and the Bahamas, whose circumstances were separately discussed in the Report of the Commission.

I enclose for the information of your Ministers copies of the text of the several resolutions passed by the Legislatures on the subject.

I shall be glad to learn when it will be convenient to your Ministers to enter upon the further negotiations foreshadowed in your despatch under reference.

The Royal Commissioners, in paragraph 98 of their Report, indicated generally the principles on which any such negotiations should be conducted.

It is essential for the proper settlement of the questions at issue that the powers of the delegates representing the several West Indian Colonies at the proposed conference with the representatives of the Dominion should be clearly understood. I have accordingly drawn up for the consideration of your Ministers a scheme for the organization of this conference.[1] Subject to the approval of your Ministers, I propose in due course to invite the administrations of the several Colonies concerned to appoint representatives with the powers indicated in this scheme.

I have etc.
L. HARCOURT

[ENCLOSURE]

Resolutions Passed by Legislatures of West Indian Colonies

BRITISH GUIANA:

Whereas by Resolution dated 14th September, 1908, this Court approved of preferential treatment being given to certain imports from Great Britain and British Possessions;

And whereas the Royal Commission since appointed has reported in favour of such preference being given to the United Kingdom and Canada on certain lines:

Be it Resolved.—That this Court having considered that Report, approves of such preferential treatment being given on the lines recommended by the Royal Commission to the United Kingdom and Canada and will consider in Committee of Ways and Means the necessary re-adjustment of the tariff to give effect thereto.

Passed in Combined Court this 30th day of November, 1910.

TRINIDAD:

Legislative Council, 27th March, 1911

Resolved:

That in the opinion of this Council it is advisable to establish reciprocal trade relations between the Dominion of Canada and this Colony, on the lines recommended in the Report of the Canada-West Indies Commission, with a view of assuring a continuance of the preference now given by Canada, which is of importance to the sugar industry, and of securing like treatment for cocoa, coconuts, asphalt, oil, rubber, fruit or other staples on which import duty is now chargeable or may hereafter be made chargeable by the Dominion, and this Council recommends that a rebate of not more than twenty per cent be allowed on the duty imposed on a reasonable number of articles of Canadian production to be mutually agreed upon;

Provided

(*a*) that in the case of Canada the preferential treatment at present extended to a certain quantity of foreign sugar be withdrawn;

[1] The Colonial Secretary's scheme for the conference is embodied in Document 801

(*b*) that certificates of origin accompany all shipments to be entered under the reciprocal agreement, certifying that such shipments are *bona fide* the products of the United Kingdom or the Dominion of Canada, as the case may be; and

(*c*) that preferential treatment be extended only to such Canadian and British goods as come direct from Canada and British ports.

ST. LUCIA:

Resolved:

That, in the opinion of this Council, it is desirable that an agreement should be concluded by His Majesty's Government with the Dominion of Canada providing for the establishment of a system of trade reciprocity between the Dominion and the Colony of St. Lucia on the lines indicated in the Report of the Royal Commission on Trade Relations between Canada and the West Indies. (Appendix I, pages 52 to 54.)

Adopted by the Legislative Council this 3rd day of December, 1910.

ST. VINCENT:

Resolution passed by Legislative Council on 23rd December, 1910

Be it resolved that this Council is of opinion that the Colony of St. Vincent should grant reciprocity to Canada generally on the lines laid down by the Royal Commissioners in Parts IV to VII of their Report on Trade Relations between Canada and the West Indies, and specifically on the lines laid down in the Report of the Committee appointed by the Administrator to consider the recommendations in that connection by the Royal Commission.

GRENADA:

Resolution introduced by the Unofficial Members and passed by the Legislative Council

Be it resolved that the question of entering into a preferential agreement with the Dominion of Canada be deferred for consideration in the future, as suggested in paragraph 93 of the Report of the Royal Commission.

Passed by the Legislative Council this 3rd day of March, 1911.

DOMINICA:

Resolved:

That this Council is of opinion that it would be to the interest of Dominica to enter into reciprocal trade relations with the Dominion of Canada, as recommended by the Royal Commission.

Adopted by the Legislative Council of Dominica, the fourth day of January, 1911.

ST. KITTS:

Legislative Council, 19th December, 1910

Resolved:

That this Council, having carefully considered the Report of the Royal Commissioners on Reciprocal Trade Relations between Canada and the

West Indies, desires to record its cordial approval of the same, and will be prepared when the time arrives to give legislative effect, so far as may be found practicable, to the recommendations contained in Parts IV, V, VI, VII, X, and XIV, with Appendix I.

MONTSERRAT:

Legislative Council, 7th December, 1910

Whereas we believe that trade reciprocity with the Dominion of Canada is suitable to the conditions existing in the West Indies, and will be advantageous to this island.

Be it resolved that this Council do respectfully urge on the Right Honourable the Secretary of State for the Colonies the necessity of concluding an agreement on the lines indicated in the Report of the Royal Commission on Trade Relations between Canada and the West Indies.

BARBADOS:

Extract from an Address presented by the House of Assembly to the Governor, 6th June, 1911

Resolved:

That the House believe that an agreement for reciprocal trade relations between Canada and this Island on the lines indicated in the Royal Commissioners' Report would be of advantage to this Island, and the House would be willing, in consideration of the continuation of the British preferential tariff of the Dominion, to agree to a revision of the present customs tariff of this Island in such a manner that the existing tariff should be maintained as the British preferential tariff and that the existing tariff increased by twenty per cent should be the tariff of duties to be levied on such dutiable articles as are mentioned in Schedule "A" of Appendix I attached to the Report of the said Royal Commissioners when imported from foreign countries. So far as the article of flour is concerned, the House are willing that the duty on this commodity be increased by 24%.

A resolution in similar terms was adopted by the Legislative Council.

ANTIGUA:

At a meeting of the Legislative Council of Antigua held on the 24th January, 1911, the Council adopted the following Report on His Excellency the Governor's message No. 2 of 1911:

That this Council, having considered the Report of the Royal Commissioners on Reciprocal Trade Relations between Canada and the West Indies, desires to record its cordial approval of the same, and will be prepared, when the time comes, to give legislative effect, so far as may be found practicable, to the recommendations contained in the report, provided that the permission given to Canadian refiners to import 20% of non-preferred sugar on preferential terms will be discontinued, and that the preference allowed to West Indian sugar will be maintained at such a figure as will ensure a market.

801. *Order in Council*

P.C. 2633 November 21, 1911

The Committee of the Privy Council have had under consideration the following memorandum, dated 17th November, 1911, from the Minister of Trade and Commerce, with reference to trade relations between Canada and the West Indies:

On the 9th of August, 1909, a Royal Commission was issued by His Majesty King Edward VII, appointing the Right Honourable Lord Balfour of Burleigh, Hon. William Stevens Fielding, Hon. William Paterson, Sir John Poynder Dickson-Poynder and Sir Daniel Morris to enquire into the present conditions and future prospects of trade between Canada and the West Indian Colonies and to suggest measures for promoting closer trade relations between them, including the several subjects referred to in the Minute of the Privy Council of Canada of 31st August, 1908, and also such matters as the improvement of transportation, a cheaper and more efficient telegraph system, and generally all such other matters as might appear best calculated to strengthen and expand commerce and communications between Canada and the West Indies.

The letter of instructions was issued to the Commissioners by the Secretary of State for the Colonies on the 18th of August, 1909, in pursuance of which the work was undertaken and carried out. A report of this Commission was submitted on the 3rd of May, 1910, and included amongst many other recommendations, one for the establishment of reciprocal trade interchanges between the West Indies and Canada, and drew up a draft form of agreement between Canada and any one of the West Indian Colonies, providing in each case for a schedule of Canadian goods which should enjoy the benefits of the customs preferential tariff when imported into the Colony, and a schedule of West Indian products which should enjoy the benefits of the preferential tariff when imported into Canada.

It appears from a despatch from Downing Street of the 22nd of July, 1911, from the Secretary of State for the Colonies, that the recommendations of the Royal Commission have now been accepted in principle by the Legislatures of Trinidad, Barbados, British Guiana, St. Lucia, St. Vincent, Antigua, St. Kitts, Dominica and Montserrat, that the Legislature of Grenada has deferred consideration of the question as suggested in paragraph 93 of the Report of the Commission, and that no action has been taken in the matter by the Legislatures of Jamaica, British Honduras, Bermuda and Bahamas, whose circumstances were separately discussed in the Report of the Commission.

The Secretary of State for the Colonies intimates that it is essential for the proper settlement of the question at issue that the powers of the delegates representing the several West Indian Colonies at the proposed Conference

with the representatives of the Dominion should be clearly understood, and submits for the consideration of the Canadian Ministers a scheme for the organization of this Conference. Subject and subsequent to the approval of the Canadian Ministers, he proposes to invite the Administrations of the several Colonies concerned to appoint representatives with the powers indicated in this scheme.

The scheme proposed by the Secretary of State for the Colonies is as follows:

Each separate West Indian Administration desiring to adopt the recommendations of the Royal Commission shall appoint one representative. The Dominion Government shall appoint such representatives as they may think necessary, and the Secretary of State may, if he thinks fit, nominate one or more persons to attend the Conference, but such person or persons will not vote on any question before the Conference. Each administration shall provide the expenses of its representative, and any necessary joint expenses shall be equally divided between the Canadian Government and the West Indian Governments concerned.

The Conference so constituted shall consider the draft agreement and schedules appended to the Report of the Royal Commission. They may make such amendments and alterations in the agreement and schedules as may be agreed upon.

Any difference arising will be decided by the majority of votes, subject to the right of the Canadian representatives to declare that any proposal then under discussion will not be acceptable to the Canadian Government.

A form of agreement shall, if the majority of the Conference so decide, be drawn up and signed by such representatives as are willing to recommend to their respective administrations the conclusion of such an agreement. This agreement will be submitted for acceptance or rejection as a whole to the several Legislatures represented at the Conference.

The agreement shall not come into force until it has been adopted by the Legislatures concerned and approved by the Dominion and Home Governments.

The Conference may also discuss regulations for securing uniformity in the treatment of goods entitled to preference under the contemplated agreement, and any other relevant questions of a like nature.

The Committee, on the recommendation of the Minister of Trade and Commerce, advise that Your Royal Highness may be pleased to inform the Right Honourable the Secretary of State for the Colonies that the Canadian Government approves of the scheme proposed and will be prepared to meet the representatives of the several West Indian Colonies at the earliest convenient opportunity, if possible during the month of March, 1912; also that the Dominion Government would be glad to welcome the representatives of the West Indian Colonies at Ottawa, or if that be deemed impossible, will send representatives to such meeting place in the West Indies as may be selected.

All which is respectfully submitted for approval.

802. *Colonial Secretary to Governor General*

DESPATCH 981

Sir, Downing Street, December 20, 1911

I have the honour to acknowledge the receipt of Your Royal Highness's despatch No. 620 of the 25th of November, forwarding an approved Minute of the Privy Council for Canada setting forth the views of your responsible advisers with regard to the proposals for a Conference between representatives of the Dominion and of the West Indian Colonies on the subject of reciprocity.

I enclose for the information of your Ministers a copy of a despatch which I have addressed to the Governors of Trinidad, Barbados, British Guiana, St. Lucia and St. Vincent, and the Leeward Islands in the matter.

I have etc.

L. HARCOURT

[ENCLOSURE]

Colonial Secretary to Governors of Trinidad, Barbados, British Guiana, Windward Islands, Leeward Islands

Sir, Downing Street, December 19, 1911

With reference to my despatch of the 22nd July, I have the honour to inform you that I am now in possession of the views of the Canadian Government with regard to the further discussion of the proposals for reciprocity between the Dominion and the West Indian Colonies.

The Canadian Government approve the scheme proposed for a Conference, and will be prepared to meet the representatives of the West Indian Colonies at the earliest convenient opportunity, if possible during the month of March next. They would be glad to welcome the representatives at Ottawa, but if that be deemed impossible they will send representatives to such meeting place in the West Indies as may be arranged.

I think that on all grounds it would be found more convenient to accept the invitation of the Canadian Government to hold the Conference in Ottawa. If you concur in this view, it will be desirable to make the necessary arrangements with as little delay as possible.

You have already been furnished, in my despatch under reference, with a copy of the scheme, which the Canadian Government have accepted, for the organization of the proposed Conference. That scheme provides for the appointment of one representative by each separate Administration. You should accordingly take steps to nominate one representative for the Colony of Trinidad and Tobago, for the Colony of Barbados, for the Colony of British Guiana, for each of the Colonies of St. Lucia and St. Vincent, for each of the Presidencies of Antigua, St. Kitts-Nevis, Dominica and Montserrat, (with the concurrence of the Legislature) (in each case).

Although under the scheme accepted by the Canadian Government only one representative can be nominated, it may perhaps be considered desirable that he should be accompanied in an advisory capacity by some leading member of the commercial community. If such an arrangement is desired, I see no reason to expect that objection would be taken to it by the Canadian Government.

You will bear in mind that, under the approved scheme, the agreement finally signed by the representatives must be accepted or rejected as a whole by the Legislatures concerned. It is therefore important that the representative should have precise instructions on any points considered vital by the Legislature. To this end it would seem desirable to appoint a committee to draw up the instructions by which the representative should be guided, and to consider what attitude he should adopt on each clause of the draft agreement which will be placed before the Conference for discussion.

Steps should also be taken for obtaining a vote of the Legislature to cover the necessary expenses of the representatives.

It will of course be desirable that the representatives of all the Colonies concerned should arrive in Ottawa at the same time, and I shall be glad if you will suggest, after consultation if necessary with the Governors of the other Colonies, a date in March which will permit of their travelling by a convenient steamer. The names of the representatives, and the suggested date, should be communicated to me by telegraph as soon as possible, in order that the Canadian Government may be informed.

I have etc.

L. HARCOURT

803. *Colonial Secretary to Governor General*

TELEGRAM London, January 16, 1912

Your despatch of November 25th, No. 620. West Indies representatives propose to arrive at Ottawa about March 27th. Will this be convenient to your Ministers?[1]

HARCOURT

804. *Colonial Secretary to Governor General*

DESPATCH 106

Sir, Downing Street, February 10, 1912

I have recently been in communication with Your Royal Highness on the subject of the recommendations contained in the Report of the Royal Commission on Trade Relations between Canada and the West Indies, in so far as they related to the questions of reciprocity and steamship communication.

[1] The Trade Conference with the West Indies began in Ottawa on March 29, continuing there and in Toronto until April 10. An agreement was signed on April 9. (See Document 806). A report of the proceedings is contained in *Sessional Papers*, 1913, No. 55.

I propose now to explain, for the information of your Ministers, the present position with regard to the other recommendations contained in the Report.

Part 13 of the Report contained proposals for the continuance of the work of the Imperial Department of Agriculture. These proposals have been adopted substantially by His Majesty's Government.

Part 14 contained a suggestion for the appointment of a Trade Commissioner to represent the West Indies in Canada. This matter is now under the consideration of the Colonial Governments concerned.

Part 16 contained proposals for the improvement of telegraphic communication with the West Indian Colonies. These proposals contemplated the acquisition by the State of the several cables owned by the Cable Companies operating in the West Indies, the duplication of certain cables, and the provision of wireless stations to supplement the cable system in certain cases.

The proposals have been very carefully considered by my expert advisers, and in face of their adverse report I cannot avoid the conclusion that neither the present possibilities of the traffic nor the circumstances generally warrant the expenditure of the very considerable sums which would be involved in carrying out the suggestions of the Royal Commissioners.

I propose, however, to take into consideration some smaller schemes for the gradual extension of communcation by wireless telegraphy between adjacent Colonies, and for this purpose I hope it will be found possible to make use of the ship-to-shore stations which it is contemplated to erect in several islands.

I have etc.

L. HARCOURT

805. *Governor of Newfoundland to Governor General*

PARAPHRASE OF TELEGRAM [St. John's,] April 6, 1912

Referring to public news stating that West Indian Trade Conference is approaching final stages in respect to reciprocity, my Ministers ask me to express hope that in any arrangement made between Canada and West Indies with regard to fish, Newfoundland may also have the benefit. My Ministers point out that Canadians have privilege of free fishing in our waters and also bait supply on same terms as Newfoundland and that any reduction in duty on fish should apply equally to Canada and Newfoundland.

WILLIAMS

806. *Agreement between Canada and certain of the West Indian Colonies*

AGREEMENT entered into this 9th day of April by the Government of His Majesty's Dominion of Canada, represented herein by the Honourable

George Eulas Foster, Minister of Trade and Commerce, the Honourable William Thomas White, Minister of Finance, and the Honourable John Dowsley Reid, Minister of Customs, and

The Governments of:

Trinidad, represented herein by Henry Barclay Walcott, Collector of Customs;

British Guiana, represented herein by John McIntosh Reid, Comptroller of Customs;

Barbados, represented herein by Dr. William Kelman Chandler, LL.D., C.M.G., Master in Chancery;

St. Lucia, represented herein by Edward John Cameron, C.M.G., Administrator of the Colony;

St. Vincent, represented herein by Francis William Griffith, Supervisor of Customs;

Antigua, represented herein by William Douglas Auchinleck, I.S.O., Auditor General;

St. Kitts, represented herein by Thomas Laurence Roxburgh, C.M.G., Administrator of the Presidency;

Dominica, represented herein by William Henry Porter, I.S.O., Treasurer, and

Montserrat, represented herein by Lieutenant-Colonel Wilfred Bennett Davidson-Houston, C.M.G., Commissioner of the Presidency.

It is agreed between the Government of the Dominion and the Governments of the above-mentioned Colonies severally that:

1. On all goods enumerated in Schedule A,[1] being the produce or manufacture of Canada, imported into any of the above mentioned Colonies, the duties of customs shall not at any time be more than four-fifths of the duties imposed in the Colony on similar goods when imported from any foreign country; provided that on flour the preference in favour of Canada shall not at any time be less than 12 cents per 100 lbs.

2. On all goods enumerated in Schedule B, being the produce or manufacture of any of the above-mentioned Colonies, imported into the Dominion of Canada, the duties of customs shall not at any time be more than four-fifths of the duties imposed on similar goods when imported from any foreign country; provided:

(*a*) That on raw sugar not above No. 16 Dutch Standard, in colour, and molasses testing over 56 degrees and not over 75 degrees by the polariscope, the preference in favour of the Colony shall not at any time be less than 4½ cents per 100 lbs., and for each additional degree over 75 degrees the preference shall not be less than ½ cent per 100 lbs.

(*b*) On all goods enumerated in Schedule C hereto, being the produce or manufacture of any of the above-mentioned Colonies, imported into

[1] For schedules see *Sessional Papers*, 1913, No. 55.

the Dominion of Canada there shall be no duties of customs; but on the like goods, when imported from any foreign country, the duties of customs shall not be less than those therein set out.

(*c*) The Act of Parliament of Canada entitled "An Act respecting duties of Customs" assented to on the 12th day of April 1907, as amended by Chapter 10 of the Acts of the Parliament of Canada, 1909, shall in addition to the amendments necessary to give effect to the foregoing provisions of this section, be amended as follows:

(1) Tariff item 135c to be repealed.

(2) Tariff item 137a to be repealed.

(3) So as to provide that upon arrowroot the produce of any of the said Colonies imported into the Dominion of Canada the duties of customs shall not exceed fifty cents per one hundred pounds.

(*d*) It is understood that the Canadian customs tariff item 135b shall not be affected by Section 2 of this agreement before the end of December, 1914, when the said tariff item expires, and that the said tariff item shall not be thereafter continued while this agreement is in force. It is also understood that in determining the rates of duty payable on goods under said Section 2, the rates provided for in said tariff item 135b shall not apply.

3. The concessions granted under Section 2 by Canada to any of the above-mentioned Colonies shall be extended to all the other Colonies enumerated in Schedule D for a period of three years from the day on which this agreement shall come into operation and at the end of such period of three years such concessions to the other Colonies may cease and determine as respects any of the said Colonies which shall not have granted to Canada the advantages set forth in Section 1.

4. The Governments of any of the above-mentioned Colonies may provide that to be entitled to the concessions granted in Section 1, the products of Canada shall be conveyed by ship direct without transhipment from a Canadian port into the said Colony or by way of one of the other Colonies entitled to the advantages of this Agreement.

5. The Government of Canada may provide that, to be entitled to the concessions granted in Section 2, the products of any of the above-mentioned Colonies shall be conveyed by ship direct without transhipment from the said Colony or from one of the other Colonies entitled to the advantages of this Agreement into a sea or river port of Canada.

6. Provided that should the discretion herein granted be at any time exercised by the Government of Canada, provision shall be made in all contracts entered into with steamships subsidized by the Dominion plying between ports in Canada and ports in the Colonies, which are parties to this Agreement, for an effective control of rates of freight.

7. This Agreement shall be subject to the approval of the Parliament of Canada and of the Legislatures of the above-mentioned Colonies, and of

the Secretary of State for the Colonies, and upon such approval being given it shall be brought into operation at such time as may be agreed upon between the contracting parties by a proclamation to be published in *The Canada Gazette* and in the Official Gazette of each of the said Colonies.

8. After this Agreement shall have been in force for the period of ten years it may be terminated by any one of the parties thereto (in respect of such party) at the end of one year after the day upon which notice shall have been given by the party desiring such termination.

In testimony whereof the said parties have signed this Agreement in decemplicate.

Done at Ottawa this 9th day of April, in the year of Our Lord, one thousand nine hundred and twelve.

807. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, April 10, 1912

CONFIDENTIAL. Your telegram 10th April. Agreement signed yesterday by Canadian Government and representatives of West Indian Colonies. Three schedules of goods affected attached to Agreement. Schedule A, 44 large items, products of Canada, when imported into Colonies, duty not to exceed 80 per cent of duty imposed in Colony on similar goods imported from any foreign country. Preferential tariff in favour of Dominion of Canada on flour never to be less than 12 cents per hundred pounds. Schedule B, 36 main items, goods chiefly native products of West Indian Colonies, imported into Canada similar conditions as to duty. Preferential tariff in favour of West Indian Colonies on sugar and molasses never to be less than 4½ cents per hundred pounds. Schedule C, raw cocoa beans, lime juice not refined, limes fresh, free of duty when imported from Colonies, otherwise subject to customs duties of not less than 75 cents per hundred pounds, five cents per gallon and ten per cent *ad valorem* respectively: arrowroot, duty in Canada not to exceed 50 cents per hundred pounds; contracting parties may insist on direct shipment between Canadian ports and Colony of origin and vice versa as condition of preference. Provisions to be made for effective control of rates of freight in all terms of contract with steamships subsidized by Government of Canada plying between Canadian and West Indian Colonies ports. Concessions granted by Canada re Schedule B shall be extended to the following: Bahamas, Bermuda, British Honduras, Grenada, Jamaica, Newfoundland for three years and then may be extended to those granting concessions under Schedule A to Canada. Agreement subject to approval of respective Legislatures and Dominion Parliament and Secretary of State for the Colonies. Will take effect on day to be fixed by contracting parties. Agreement will not be published before being considered by Legislatures first. Text and schedules follow by mail.

ARTHUR

808. *Governor General to Governor of Newfoundland*

TELEGRAM [Ottawa,] April 23, 1912

The West Indian delegates were not empowered by their Governments to negotiate with reference to trade with Newfoundland, and consequently could not deal with that subject. Canada, likewise, had no authority to bind Newfoundland to reciprocal treatment. All parties were well disposed towards her and the way was left open for accession later. Arrangement not likely to go into effect before next January.

ARTHUR

809. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, April 29, 1912

SECRET. Referring to your cable of the 10th of April, does West Indies-Canadian Agreement provide that any concession granted in West Indies to Canadian goods is to be extended to like products or manufactures of the United Kingdom? Should there be no specific provision in agreement, I presume all parties to Conference fully recognized principle.

HARCOURT

810. *Secretary of State for External Affairs to Governor General*

Ottawa, May 2, 1912

The undersigned, to whom was referred a secret telegraphic despatch from the Secretary of State for the Colonies to Your Royal Highness, dated the 29th April, 1912, on the subject of the recent West Indian-Canadian Agreement, has the honour to represent that the principle referred to by Mr. Harcourt in this despatch was fully recognized at the making of the agreement, by both parties.

The undersigned recommends that the Secretary of State for the Colonies be informed by telegraph in this sense.

Humbly submitted,

R. L. BORDEN

811. *Order in Council*

P.C. 1448 May 25, 1912

The Committee of the Privy Council have had before them a report, dated 22nd May, 1912, from the Minister of Trade and Commerce, on the subject of the trade developments between Canada and the British West Indies.

The Minister observes that on April 9th, 1912, an agreement for mutual trade preference was concluded between Canada and certain of the West

Indian Islands, including British Guiana. This agreement will probably be ratified by the West Indian Legislatures during the present summer, and can therefore be brought into effect by the beginning of the year 1913.

The Minister further observes that in 1911 the imports of the Islands affected by the agreement amounted to $31,067,777 and the exports to $30,350,310. Of these imports, Canada supplied $2,429,990 and the United States $9,937,928; and of the exports, Canada took $7,793,452, and the United States $6,422,672. The total trade of Canada with these Islands amounted to $10,223,442, and the total trade of the United States therewith to $16,360,600.

That Grenada, Jamaica, the Bahamas, Bermuda, Virgin Islands and British Honduras remain for the present outside the agreement. The total trade of these Islands and British Honduras for the latest available year was $38,823,771, being imports $20,686,481, and exports $18,137,290; of these Canada furnished $1,598,466 of imports and took $1,082,223 of exports, and the United States $9,667,725 and $9,990,096 respectively.

That taking all together the total imports of all the British possessions in the West Indies amounted to $51,754,258 and the exports to $48,487,600, of which Canada contributed $4,028,456 of imports and took $8,875,675 of their exports, and the United States $19,605,653 and $16,412,768 respectively.

That it is probable that the outlying Islands will ultimately adhere to the agreement, and thereafter be included within the circle of mutual preference tariffs. In the meantime they enjoy a preference in Canadian markets and give none in return. The total trade of Canada and all these Islands has of late years been gradually increasing and under the conditions which will hereafter govern, a further substantial development of trade interchange may be looked for.

That two restrictions upon the fullest and most rapid development of trade exist in the inordinate cable charges and an inadequate steamship service, and in order to ensure the complete success of the trade agreement both these handicaps should as far as possible be removed. For years the Canadian Government has been paying substantial sums of money as subsidies to lines of steamers plying between Canadian ports and those of the principal Islands. But these services have been far outclassed by those maintained by the United States with the West Indies, and are at the present time altogether inadequate. To compete successfully they should be improved in speed and quality of vessels as well as in frequency of service.

That two principal routes are rendered necessary by the geographical distribution of the Islands—one to Jamaica, touching at Bermuda and Turk's Island, and the other via the Windward and Leeward Islands to British Guiana. The latter route takes in all the Islands that have so far entered into the agreement with Canada and at the present time is the most pressing, although the former is scarcely less important in view of the

desired ultimate results. For an improved and up-to-date service, some subsidy, though not a large one, could be expected from the Islands lying along the Canada-Demerara route, but the larger part has hitherto been paid and must continue to be paid either by Canada alone or by Canada in conjunction with Great Britain. The British Government contributed the sum of $65,700 per year for a period of twelve years, ending in 1911, but at the present time, the whole cost is being maintained by Canada with the exception of some small sums from the lesser Islands.

The Minister has no hesitation in affirming that a much larger amount expended for an adequate service would be a commendable economy, and that it is a question whether the present subsidy should be longer paid for the service given. It is also fair to suppose that under a mutual preference and with a considerably larger volume of freight a much better service could be secured for a much less proportional increase.

The Minister is of the opinion that the Government of Great Britain, which for a period of twelve years prior to 1912 joined with Canada in maintaining this service, might well consider the advisability of again contributing a share of the necessary subsidy, and all the more so since under the new agreement her exports will receive the same preference as is to be enjoyed by Canada.

The Minister states that the Royal Commission of 1908 reported very strongly as to the obligation of the Mother Country to assist the West Indian Islands in their efforts to develop their productions, and to find profitable markets therefor. If such co-operation could be secured from the British Government in conjunction with the Islands to a moderate extent, and with Canada to a generous extent, the problem with respect to this service could be satisfactorily solved without excessive burdens upon any;

That the question of improved steamship service between Canada and Jamaica is less difficult because of the readiness and ability of that Colony to give substantial assistance. It has lately authorized a subsidy of £20,000 for a satisfactory service between that Island and Canada.

The Committee,—having regard to the advisability of utilising to the utmost the favourable conditions rendered possible by the completion of the trade agreement between Canada and the West Indian Islands, and the necessity of providing steamship communication as a means to that end,—advise that the Minister of Trade and Commerce be authorized to advertise for tenders for an improved steamship service on each of the two routes outlined above, such advertisement to call for the submission of alternative tenders for services varying in quality, speed and capacity, in order that the cost of each grade of service may be ascertained and an opportunity afforded for a choice of the most suitable. The elements entering into the alternative tenders will be tonnage, freight and passenger accommodation, speed and the frequency of service as well as the ports to be touched.

All which is respectfully submitted for approval.

812. *Order in Council*

P.C. 1404 May 30, 1912

The Committee of the Privy Council have had before them a report, dated 21st, May, 1912, from the Minister of Trade and Commerce, stating that the following resolution was unanimously passed by the Canadian-West Indian Conference at its meeting in Toronto on 11th, April, 1912:

The Conference having considered the report of the sub-committee on cable communication between Canada and the West Indian Colonies accepts the views therein contained, and is of the opinion:

(*a*) That in the interests of Colonial and Imperial commerce, administration and defence, improved and cheaper communication by cable is urgently required and should be secured at the earliest possible moment.

(*b*) That the most acceptable plan for the accomplishment of this object is by an extended all-British cable system from Bermuda to Barbados, Trinidad, and British Guiana, with the necessary provision of auxiliary inter-island connections.

(*c*) That this can be effected through the medium of some responsible cable company by the co-operation of the West Indian Colonies, Canada, and the Home Government, either by guarantee against possible inadequacy of revenue or by the payment of supporting subsidies for a term of years in the proportion of one-third for each of the three parties to the agreement.

(*d*) That in every such arrangement a maximum rate per word should be fixed as a basis and that the Canadian and British Governments should exercise control of rates within that maximum.

(*e*) That to this end it is desirable that the Canadian Government should enter into communication with the Secretary of State for the Colonies, with a view to securing such consideration and action as may be necessary to bring about the speedy accomplishment of so desirable an object of Colonial and Imperial interest.

The Committee, on the recommendation of the Minister of Trade and Commerce, advise that Your Royal Highness may be pleased to transmit a copy hereof to the Right Honourable the Principal Secretary of State for the Colonies, for the consideration of His Majesty's Government, accompanied by the expression of the cordial sympathy of the Canadian Government with the views contained in the foregoing resolution, and the assurance that it is prepared to co-operate with the British Government in any reasonable, feasible plan for carrying them into speedy effect.

The Committee, on the same recommendation, further advise that the Minister of Trade and Commerce be authorized to confer with the British authorities as to the subject matter of the above resolution; and to ascertain,

if possible, on what conditions and to what extent they are prepared to assist in the completion of the purposes aimed at by the resolution.[1]

All which is respectfully submitted for approval.

813. *Colonial Secretary to Governor General*

DESPATCH 593

Sir, Downing Street, August 22, 1912

I have the honour to transmit to Your Royal Highness, for communication to your Ministers, a copy of a resolution passed by the Legislative Council of St. Vincent on the subject of the establishment of a new steamship service between Canada and the West Indies.

I have etc.

L. HARCOURT

[ENCLOSURE]

Resolution of the Legislative Council of St. Vincent

Be it Resolved: July 8, 1912

That in any arrangements for the establishment of a new steamship service between Canada and the West Indies, an essential feature of the agreement should be the provision of a direct line of steamers between Canada and this and the other smaller Colonies, and that the scheme for a trunk line service to Barbados, Trinidad and British Guiana with Intercolonial vessels running to the other Colonies would prove quite unsuitable, owing to the losses which would be incurred by the damage (as a result of the necessary additional handling during transhipment) to the class of goods which will be shipped between the two places.

And be it further Resolved that steps be taken to communicate a copy of this Resolution to the Government of the Dominion of Canada.

814. *Colonial Secretary to Governor General*

TELEGRAM [London,] September 14, 1912

Reciprocity agreement April 9th has been accepted by Legislatures of Trinidad, British Guiana, Barbados, St. Lucia, St. Vincent, Antigua, St. Kitts and Nevis, Dominica and Montserrat. I approve agreement subject to approval of it by Canadian Parliament. Full text of various legislative enactments will be forwarded when received in final form.

HARCOURT

[1] An agreement was signed on August 10, 1914, to go into effect on October 1, 1914 and run for ten years, among the United Kingdom, Canada and the West India and Panama Telegraph Company for a reduction in the telegraphic rates between Canada and the United Kingdom and the West Indies. For this, the Canadian and British Governments together were to contribute £16,000 per year and the West Indian colonies a further £10,300.

815. *Order in Council*

P.C. 2784 October 10, 1912

The Committee of the Privy Council have had under consideration a report, hereto attached, from the Minister of Finance, to whom was referred by the Right Honourable the Prime Minister, the memorandum marked "confidential" from the Right Honourable the Secretary of State for the Colonies, on the possible extension by Canada to all Crown Colonies and Protectorates of the benefits accorded to the West Indies under the recent agreement.

The Committee of the Privy Council concur in the observations of the Minister of Finance, hereto attached, and on the recommendation of the Minister of Finance, advise that Your Royal Highness may be moved to cause a despatch to be prepared and forwarded to the Right Honourable the Secretary of State for the Colonies embodying the terms of the reply to the said memorandum.

All which is respectfully submitted for approval.

[ANNEX]

Memorandum by Minister of Finance

[Ottawa]

Re Confidential Memorandum of the Secretary of State for the Colonies on the possible extension by Canada to all Crown Colonies and Protectorates of the benefits accorded to the West Indies under the recent Agreement:

While the title to the memorandum is as above stated, there is in the body of the memorandum a reference to the effect, or rather lack of effect, which the extension of a part of the benefits of the agreement to "all British Colonies, &c.," would have. It is here assumed that it was intended to exclude from consideration all the self-governing Dominions and to confine attention to the desirability of the extension by Canada of the benefits of the agreement to all Crown Colonies, Possessions and Protectorates.

First, it will be necessary to draw attention to an oversight due to the somewhat complicated tariff law of Canada with regard to the present rates of duty on raw sugar entering from the Mauritius and Fiji Islands.

The memorandum states:

> It will be seen that, since the preferential tariff was inaugurated in 1898, the West Indian Colonies have enjoyed an advantage over other sugar producing Colonies like Mauritius and Fiji, which are not entitled to the British preferential tariff.

It is true that the Mauritius and Fiji are not entitled to the British preferential tariff; but so far as raw sugar is concerned, ever since August

1st, 1898, these Colonies have enjoyed the benefits of the preferential tariff, by virtue of Section 2 of Chapter 37 of the Acts of 1898 (which amended "The Customs Tariff, 1897") and Item 135 of the tariff law now in force. The part of Item 135 applicable is as follows:

> All raw sugar, including sugar specified in this item, the produce of any British colony or possession, shall be entitled to entry under the British preferential tariff, when imported direct into Canada from any British colony or possession.

Raw sugar, therefore, the product of the West Indian Islands has not enjoyed any advantage up to the present since 1898 over raw sugar the product of other British Colonies, including Mauritius and Fiji; nor will the West Indian Islands in this behalf have any advantage over the Mauritius and Fiji when the agreement comes into force so long as the British preferential tariff on raw sugar remains as now established. Importations of raw sugar from these islands to Canada have been entered at the British preferential tariff rates.

In giving effect to the agreement by Act of Parliament, the operation of the Act will go further in the way of concession than the letter of the agreement calls for. Clause 2 of the agreement provides that on the goods enumerated in Schedule B, the produce or manufacture of the West Indian Colonies, when imported into Canada, the duties of customs shall not at any time be more than four-fifths of the duties imposed on similar goods when imported from any foreign country. It was quite clearly understood by all parties to the agreement that wherever the British preference as at present established afforded a lower rate of duty than the four-fifths stipulation the preference rate should be applicable.

To what extent, then, will the British West India Islands, when the advantages of the agreement become operative, have a preference over the Crown Colonies, Possessions and Protectorates at present entitled to British preferential tariff treatment? The advantage will be quite negligible, so far as rates of duty are concerned. On a few articles only, all of comparative unimportance, of which sponges, cotton seed oil and cattle food containing molasses are the chief, will there be an advantage to the Colonies parties to the agreement. On these articles the rate of duty coming into Canada from these Colonies will be fourteen and a half per cent, while on these articles coming from the other Crown Colonies, Possessions and Protectorates which now enjoy the British preferential tariff the duty will be fifteen per cent.

Passing now to a consideration, in relation to this agreement, of the Crown Colonies, Possessions and Protectorates which are not at present entitled to the British preferential tariff treatment, it would be well perhaps to name these in some detail. These are, except a few of comparatively little importance, as follows:

In Europe —Gibraltar
Malta and Cyprus;

In Asia —The Federated Malay States
Hong Kong
Wei-hai-wei
British North Borneo
Brunei and Sarawak;

In Africa —East and Central Africa
West Africa
Islands around Africa, including Mauritius
Basutoland
Bechuanaland and Swaziland;

In America —British Honduras;

In Australasia—Fiji and various islands.

It has already been pointed out that raw sugar from any of these Colonies or Possessions, including the Mauritius and Fiji, is entitled to British preferential tariff rates, and sugar is the most important dutiable item of export from any of these groups likely to reach Canada.

Owing to the geographical position in relation to other countries of the three Colonies named in the European group, and of Hong Kong and Wei-hai-wei in the Asiatic, the question of preferential tariff treatment for these requires special consideration. It is feared that so far as the Colonies referred to are concerned the granting of a tariff preference would result in frauds not easily detected upon the revenues of Canada. The contiguity or nearness of these Colonies to producing countries subject to the general Canadian tariff would make it possible for the preferred articles to reach Canada through these Colonies at the preferential tariff rate. For this reason, these Colonies will not be taken into account in the further consideration of the proposal at this time.

The memorandum deals with the probable loss of revenue to Canada if the agreement is extended and correctly concludes that the loss would be small, with probable advantages, though these last would not be very great.

Clause 3 of the agreement, however, would seem to contemplate that Canada should not, expressly at least, extend to all Crown Colonies and Protectorates the advantages granted to the West Indian Colonies parties to the agreement. That clause provides that the concessions in the agreement to the West Indian Colonies which are parties shall be extended for a period of three years to the Bahamas, Bermuda, British Honduras, Grenada, Jamaica and Newfoundland. The agreement is to be in force for a period of ten years, and that probably is the chief advantage which the West Indian Colonies parties thereto have secured under its terms. It would obviously be inconsistent with Clause 3 referred to to expressly extend by Act the advantages of the agreement to all Crown Colonies and Protectorates.

Practically the same result can be accomplished by an extension of the British preference by the Governor in Council to these Crown Colonies, Possessions and Protectorates—above scheduled, (omitting the European group and Wei-hai-wei and Hong Kong)—under the provisions of existing legislation ("The Customs Tariff, 1907," Sections 3 and 4). If, however, the British preferential tariff were repealed or the rates of duty thereunder increased during the term of ten years so as to be higher than four-fifths of the general tariff rates, the Colonies enjoying the advantages of the agreement would be in a better position than the Colonies which stood entitled to British preferential tariff treatment. But it is improbable that the principle of giving to the Mother Country the best that is given to any will be departed from during the currency of the agreement. There does not seem to be any objection, therefore, to the extension under the existing legislation referred to of the advantages of the British preference to all the Crown Colonies, Possessions and Protectorates, with the exceptions already indicated.

816. *Order in Council*

P.C. 6 January 25, 1913

His Royal Highness the Governor General in Council is pleased to order that, in addition to the British countries enumerated in Section 3 of Paragraph 1 of the Customs Tariff 1907, An Act respecting the Duties of Customs, and pursuant to Section 4 of the said Act,—the benefits of the British preferential tariff be extended to and apply on goods the produce or manufacture of the following countries, subject to the provisions of the said Act, that is to say: Swaziland, Basutoland, Bechuanaland Protectorate, Northern Rhodesia, Nyasaland Protectorate, Uganda Protectorate, East Africa Protectorate, Protectorate of Northern Nigeria, Colony and Protectorate of Southern Nigeria, Gold Coast, Sierra Leone, Gambia, Somaliland Protectorate, Federated Malay States, British North Borneo, Sarawak, Brunei, Mauritius and Dependencies thereof, Seychelles, St. Helena, Ascension, Friendly or Tonga Islands, Fiji, Falkland Islands, British Honduras.

817. *Governor General to Governors of Barbados, Leeward Islands, Windward Islands, Trinidad, and British Guiana*

TELEGRAM Ottawa, March 2, 1913

My Government have under consideration proposals for steamship service between Canada, West Indies and British Guiana. One proposal is from Syndicate headed by Royal Mail Steamship Company who ask for subsidy of $300,000 to $350,000 for eleven knot service this year and twelve knot service in 1915, calling at the large islands one voyage and at smaller islands on alternate voyages. Other proposal from Company associated with but not actually backed financially by Canadian Pacific Company, ask for subsidy of

$300,000 from Canada for nominal fifteen knot boats beginning in 1915, but will not undertake contract unless West Indies and British Guiana contribute annual subsidy of $150,000 additional. Please cable whether your Government will grant any and what assistance to either twelve or fifteen knot service.

ARTHUR

818. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, March 4, 1913

In view of the recommendation of the Royal Commission of 1909 on Trade between Canada and the West Indies and having regard to the necessity of improved steamship service between Canada, Guiana and West Indies, my Ministers are considering proposals which involve an annual subsidy of from sixty to seventy thousand pounds. They would be glad to know whether Imperial Government would be disposed to make provision for any portion of the proposed subsidy as suggested by one hundred and sixtieth paragraph of Report of that Commission.

ARTHUR

819. *Colonial Secretary to Governor General*

TELEGRAM London, April 8, 1913

Your telegram of March 4th. Regret that His Majesty's Government cannot see their way to contribute to steamer service between Canada and West Indies in which trade with United Kingdom is not directly interested. Despatch follows by mail.

HARCOURT

820. *Colonial Secretary to Administrator*

DESPATCH 268

Sir, Downing Street, April 9, 1913

I have the honour to acknowledge the receipt of His Royal Highness, the Duke of Connaught's telegram of the 4th of March in which he states that His Ministers enquire whether the Imperial Government would be disposed to contribute to the cost of a subsidized steamship service between Canada and the West Indies.

2. In order that your Excellency's Ministers may fully understand the position, I propose to review very briefly the course of the previous negotiations in this matter.

3. For some years subsequent to 1900, when the financial condition of the West Indian Colonies was a source of grave anxiety to His Majesty's advisers, the Imperial Government shared equally with the Dominion Government the cost of subsidizing a line of steamers running from Halifax and Saint John to the West Indies. It had, however, been notified to the Canadian Government that the British Treasury could not undertake to continue to bear any share

of the cost of this service after 1910; but ultimately, in order to allow time for the consideration of the Report of the Royal Commission of 1910, payment of the British contribution was continued for one year.

4. The Royal Commission recommended the establishment of an improved cargo service between Canada and the West Indies, and as an extension of that recommendation they proposed the establishment of a fast mail service, to connect at a Canadian port with the trans-Atlantic mails from this country.

5. The direct mail service between this country and the West Indies was at the time under consideration, and the proposals of the Commission were submitted to the West Indian Colonies for an expression of their views. It then appeared that there was almost unanimous opposition in the West Indies to any such diversion of the mail service, and in the end it was found necessary to enter into a new contract with the Royal Mail Steam Packet Company for the direct carriage of mails between Southampton and the West Indies. The circumstances were explained in my despatch to Earl Grey No. 181 of the 16th March, 1911.

6. At present, therefore, the British Treasury contributes very largely to the cost of the mail service between this country and the West Indies, as well as to the cost of the local inter-colonial service, the total annual subsidy thus paid being £52,500. In these circumstances I fear that it would be impossible to justify to Parliament the payment of a contribution towards the cost of a service between the West Indies and Canada, in which the trade of this country is not directly interested. It seems clear that the larger West Indian Colonies are secure of an adequate cargo service with Canada without the intervention of the Imperial Government. In the case of the smaller Colonies alone is there any such difficulty in obtaining opportunities for communication as would be likely to be held to warrant the consideration of proposals for Imperial assistance. But this argument is only applicable to a cargo service affording opportunities of disposing of comparatively small quantities of produce which though important to the Islands, are not sufficient to attract regular steamship lines. In any case I do not think it likely that Parliament would regard as sufficient ground for a subsidy the desire to provide a service superior to cargo requirements and of a class intended to be attractive to passengers.

While, therefore, I can hold out no hope of an Imperial contribution, I have suggested to the West Indian Colonies that they should consider the possibility of making some joint contribution to the cost of such a service as is contemplated by your Ministers.

I have etc.

L. HARCOURT

821. *Minister Without Portfolio to Prime Minister*

My dear Borden, Ottawa, April 27, 1913

Referring to the trade agreement made last year by Canada with various Colonies in the West Indies and which is now before Parliament for ratification, I find that in various ways we have received word from all the Colonies

except British Guiana that this agreement has been accepted and will be put into force by proclamation—the date of which we will be prepared to arrange as soon as our Act has passed.

My impression is that British Guiana has no doubt agreed to the agreement but we are anxious to know this definitely before our tariff changes are made. I would suggest, therefore, that a cable should be sent from the Governor General's office to the Governor of British Guiana asking whether the Canadian Agreement has been ratified and what date it will come into force.

Yours very truly,

GEORGE H. PERLEY

822. *Colonial Secretary to Governor General*

TELEGRAM London, May 2, 1913

Your telegram of April 28th. Legislature of British Guiana passed resolution on July 3rd last adopting reciprocity agreement, but ordinance to carry resolution into effect has not been received yet. Agreement can apparently take effect on any date mutually agreed upon. Request that your Ministers will suggest date convenient to them for consideration West Indian colonies concerned.[1]

HARCOURT

823. *Colonial Secretary to Administrator*

DESPATCH 351

Sir, Downing Street, May 7, 1913

With reference to previous correspondence, I have the honour to request Your Excellency to inform your Ministers that the Legislative Council of Grenada have passed a resolution in favour of that Colony participating in the reciprocity agreement between Canada and certain other West Indian Colonies.

I have etc.

L. HARCOURT

824. *Governor of Trinidad to Governor General*

DESPATCH 6830-1910

Sir, [Port of Spain,] June 23, 1913

I have the honour to inform Your Excellency that acting on the instructions of the Right Honourable the Secretary of State for the Colonies, a Conference was held in this Colony to consider the question of a proposed steamship service between Canada and the West Indies.

[1] The Agreement came into operation on July 2, 1913. The text of the West Indies Trade Agreement Act, 1913, is contained in *Sessional Papers*, 1913, 10f.

2. I attach for Your Excellency's information copies of the Minutes of the Conference and of a report by the Honourable Adam Smith who represented this Colony at the Conference. The Resolutions passed by the Conference are printed as Appendix V to the Minutes.[1]

3. I have forwarded copies of these documents to the Right Honourable the Secretary of State for the Colonies, to whom I shall report further in due course.

I have etc.

GEORGE R. LE HUNTE

825. *Governor of Bermuda to Governor General*

TELEGRAM [Hamilton,] August 12, 1914

URGENT. Royal Mail Steam Packet Company state positively that rates of freights on Halifax steamers have been increased fifty percent. If correct please inform me grounds upon which this has been sanctioned. Information required in connection with arrangements for rates of freight between New York and Bermuda.

826. *Governor General to Governor of Bermuda*

TELEGRAM Ottawa, August 21, 1914

With reference to your telegram 19th August.[2] Freight rates. My Government report that Royal Mail Steam Packet Company asked permission to advance rates 50% on ground of extreme cost of war risk insurance. This request Minister of Trade and Commerce declined to sanction but subsequently authorized temporary increase freight rates to British West Indies of 25%. Any deficiency in actual war risk expenditure not covered by this raise will be considered when actual figures are available. Royal Mail Steam Packet Company stated that they understood that 50% increase would still hold good on inward freights to Canada but they have been informed that 25% increase applies to both North and South bound trips.

ARTHUR

827. *Governor of Jamaica to Governor General*

TELEGRAM [Kingston,] March 10, 1915

Legislative Council, planting and commercial interest have asked the Secretary of State to-day to permit the sending of a deputation to Ottawa to place before your Government the situation as it affects Jamaica in

[1] The resolutions of the Trinidad Conference proposed various improvements in the route of the subsidized steamship service. Subsequently, on October 16, 1913, an agreement was signed between the Government of Canada and the Royal Mail Steam Packet Company for a fortnightly service between Halifax, Saint John and Georgetown, British Guiana, calling at nine of the West Indian Islands. Under this five-year contract steamers of 5000 tons and a speed of 11 knots were to be used. An annual subsidy of $340,000 was provided.

[2] Presumably Document 825.

regard to the imposition of the proposed tax on Jamaica bananas. If the Secretary of State approves, deputation will leave in a few days and advice of sailing will be sent by cable. I understand that the new tariff will not be finally settled for a fortnight in which case the deputation would with Your Royal Highness' permission have an opportunity of placing the case for Jamaica before Ministers prior to a final decision being arrived at. If necessary could decision be delayed pending arrival of deputation?

MANNING

828. *Colonial Secretary to Governor General*

TELEGRAM London, March 16, 1915

With reference to my telegram 22nd February taxation of bananas. I have given permission to Jamaica deputation to proceed to Canada.

HARCOURT

829. *Minister of Finance to Prime Minister*

Dear Sir Robert, Ottawa, March 18, 1915

I have received from your office a copy of the despatch from Right Honourable Mr. Harcourt stating that he has given permission to a deputation from the Jamaican Government to proceed to Canada with reference to the matter of the war tax upon bananas. It might be advisable for you to cable Mr. Harcourt that we have exempted the articles in question from the operation of the tax. It will therefore not be necessary that the Jamaica deputation should come to Ottawa in this connection.

Yours faithfully,

W. T. WHITE

830. *Prime Minister to Acting High Commissioner in United Kingdom*

TELEGRAM Ottawa, June 2, 1916

SECRET. Prominent Canadian business man just returned from Jamaica reports very strong feeling in favour political union with Canada. It is believed that similar feeling exists in other West India Islands and that during present war opportunity of bringing these Islands into Confederation is more favourable than it ever will be in future. Please confer with Foster and sound Bonar Law as to disposition of Imperial Government towards such a movement. Islands have total area of about one hundred and thirteen thousand square miles and population about two million three hundred thousand. This includes British Guiana and British Honduras.

BORDEN

831. *Prime Minister to Acting High Commissioner in United Kingdom*

SECRET

My dear Perley, Ottawa, June 3, 1916

Herewith is copy of a cable[1] which I have dispatched to you today with regard to the possible political union of the British West Indies Islands with the Dominion.

I also enclose copy[2] of a letter from Mr. Harry J. Crowe and of an interview which he has given to the Montreal *Gazette* on the subject.

A memorandum on the question is being prepared which I shall transmit to you when it is completed.

Whether the proposal is chimerical may be a question. The advantages which I can see upon very brief consideration, are as follows:

1. The extension of our territory and population would increase the importance and influence of our Dominion.

2. The tropical products available in the new territory would make the Dominion more self contained and would give to us practically all the advantages of climate and production which are afforded in the United States by the southern portion of that country.

3. The responsibilities of governing subject races would probably exercise a broadening influence upon our people as the Dominion thus constituted would closely resemble in its problems and its duties the Empire as a whole.

4. The importance of sea power would become so obvious under the new conditions as to leave little room for argument to the contrary.

5. A broader market would be afforded to the manufacturers and producers of the Dominion as we produce precisely what the British West Indies require, and vice versa.

Yours faithfully,

R. L. BORDEN

832. *Governor of Bahamas to Governor General*

DESPATCH 17

Sir, Bahamas, June 17, 1916

I have the honour to inform you that a question in the form following was recently addressed to the Leader of the Government in the House of Assembly: "Does the Government in consequence of the present war intend to take any action with respect to reciprocity or trade relations with Canada or the West Indian Colonies?"

On the advice of my Executive Council the following reply was given: "The Government have not lost sight of this matter, but they do not consider that it would be opportune at the present juncture to take any action. A communication is however being addressed to the Canadian Government on this subject".

[1] Presumably Document 830.

[2] Not printed.

2. I regret to learn that the period fixed by the agreement between Canada and certain of the West Indian Colonies within which the concessions granted to those Colonies could be extended to the Bahamas has now expired and I should be glad to be informed whether there is any probability of this Colony being brought into the existing arrangements in the event of the Legislature being of opinion that negotiations for this purpose can be advantageously opened in the near future.

3. The question of regular steam communication with Canada would be a vital factor in the consideration of this question which will probably assume greater importance on or near the close of the war in any attempt to knit the Colonies in closer commercial and economic relations, and the matter is one of some concern to this Colony in view of the termination of our mail steamer service contracts in August next year.

I have etc.

W. L. ALLARDYCE

833. *Acting High Commissioner to Prime Minister*

SECRET

[London,] June 27, 1916

Dear Sir Robert Borden,

I duly received your secret cablegram of the 3rd instant, in regard to the West Indian Islands, and a few days ago I received your letter of the same date on this subject, which was marked "secret".

Soon after receiving your cable I spoke to Mr. Bonar Law and asked him to think the matter over. I have had a talk with Sir George Foster about it two or three times, and today we had an interview with Mr. Bonar Law. The latter says that he personally thinks that if Canada and the West Indies favoured any arrangement for closer union, Great Britain would not object or interfere. At the same time he says that he considers that this time of war is hardly propitious for a matter of that kind. He further promised to speak to the Prime Minister on the subject and let me know privately whether his views were any different.

I have given the matter some consideration, and, while I see many things in favour of it, as set forth in your letter of the 3rd instant, I see serious difficulties in connection with the franchise. Sir George Foster thinks that they might be taken over and administered on exactly the same basis as that now in force. Possibly that might be so, but I feel that they would probably expect a good many more concessions from Canada in the way of political rights than they get from the Mother Country. I have read over the letter from Mr. Harry J. Crowe, which gives a good deal of information, but I think that, if you are going further into the question, it would be advisable to have the matter taken up by someone having more responsibility and more closely connected with the Government over whom you would have more direct control. Certainly

this is a most important matter, and one which will need great consideration, —probably more than you can find time to give it under the present press of work.

Yours sincerely,

GEORGE H. PERLEY

834. *Colonel L. S. Amery to Prime Minister*

PRIVATE [London,] August 19, 1918

My dear Sir Robert,

There is a matter which I had hoped to have had time to talk with you about when you were here originally in connection with the paper I sent you on the future of the Imperial Cabinet system,[1] but which has derived added emphasis, I think, from the recent discussions on War Aims. And that is the question of the taking over of the West Indies by Canada. When the Prime Minister was talking the other day about our incapacity to develop all the vast territories of the Empire, he was wrong I think in so far as he referred to capital, as capital successfully applied replaces itself quickly enough. But there is some force in what he said from the point of view of the human capital, i.e. stock of ability and energy required for the development of our vast dependent territories. The United Kingdom obviously cannot do it all, and the Dominions would naturally throw themselves into the work with greater zest if the connection were a direct one, at any rate as regards certain parts of the dependent Empire. Thus I imagine Canada would find capital and energy for the development of the West Indies much more readily if they were federated with herself than under the present system, and the same no doubt applies to Australia and the Pacific Islands.

Again, from the point of view of the attitude of the United States towards ourselves, I cannot help thinking that if the whole of the British possessions on or adjacent to the American continent were federated with Canada and had their center of government in Ottawa and not in London, that that would have a considerable impression upon America and make Americans realise that we are not simply out at the United Kingdom end to grab all the territory in the world we can from mere lust of domination.

Lastly such a wider expansion of Canada might afford an opportunity, which seems to me very difficult to create in any other way, for bringing in Newfoundland. My project, in fact, would be the expansion of Canada into what would in fact be a Greater Dominion of British America including Newfoundland, the Bermudas, the West Indies, and even, if you liked to have them thrown in, the Falkland Islands.

There is another aspect, conceivably, why such a rearrangement might be of use to Canada. Last year Mr. Hazen at the Committee on the Territorial

[1] Enclosure to Document 497.

Settlement laid stress on the desirability of securing for Canada part if not the whole of the long strip of Alaskan coast which at present shuts off Northern British Columbia from the sea. For the British Government to negotiate such a cession with the United States, even by making corresponding concessions in the West Indian region, would be extremely difficult. For Canada at any rate it might conceivably be possible to make some such arrangement with regard say to British Honduras or some other point.

I throw out these ideas for your consideration. They would of course require an immense amount of practical study of the problems affected before they could be taken up in any official way.

Yours sincerely,

L. S. AMERY[1]

835. *Prime Minister to Colonel L. S. Amery*

My dear Colonel Amery, Ottawa, September 4, 1918

I have just received and read with much interest your letter of August 19th on the question concerning the West Indies. The matter is one deserving of much consideration, and I am glad to have your views. I may add that it has already been discussed with the Prime Minister of the United Kingdom.

Yours faithfully,

R. L. BORDEN

DENMARK: COMMERCIAL RELATIONS

836. *Colonial Secretary to Governor General*

DESPATCH 422

Sir, Downing Street, June 21, 1912

With reference to my despatch No. 885A of the 1st of November, 1911,[2] I have the honour to transmit to Your Royal Highness, for the information of your Ministers, the accompanying copies of a declaration between the United Kingdom and Denmark, signed at Copenhagen on the 9th of May, respecting the application of the existing Anglo-Danish Treaties of Commerce to the self-governing Dominions.

I have etc.

L. HARCOURT

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[1] Chairman of a committee appointed by the Colonial Secretary to investigate steamship communications between the British West Indies and the United Kingdom, 1918-1919.

[2] Document 388.

[ENCLOSURE]

Declaration between the United Kingdom and Denmark respecting the application of existing Treaties of Commerce to certain parts of His Britannic Majesty's Dominions[1]

Whereas the commercial relations between the British Empire and the Kingdom of Denmark are regulated by the Treaties of the 13th February, 1660-61, and the 11th July, 1670, and Whereas it is desirable to make further provision with regard to the application of the said treaties to certain parts of His Britannic Majesty's Dominions, viz.: the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, the Union of South Africa, and the Colony of Newfoundland, the Government of His Britannic Majesty and the Government of His Majesty the King of Denmark hereby agree that either of the Contracting Parties shall have the right to terminate the said treaties with respect to any or all of the above-mentioned Dominions at any time on giving twelve months' notice to that effect.

It is further agreed that should the said treaties cease, in pursuance of this Protocol, to be applicable to the Commonwealth of Australia, they shall also cease to be applicable to Papua and Norfolk Island, if so desired by either of the Contracting Parties.

In witness whereof the Undersigned have signed the present Declaration in duplicate and have affixed thereto their seals.

Done at Copenhagen, the 9th May, 1912.

CONYNGHAM GREENE
C. W. AHLEFELDT LAURVIG

FRANCE: COMMERCIAL RELATIONS

837. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, January 18, 1910

Canadian Government view with great regret proposed increase of French minimum tariff on agricultural implements which diminishes one of the advantages offered to Canada at the time of negotiation for convention[2] now waiting for ratification. There is no question as to right of France to make proposed increase but Canadian Government must point out that increase would be calculated to create disappointment and render provisions of convention less desirable to Canada than it appeared at the time of the

[1] Similar declarations allowing for the separate withdrawal of the Dominions from older British trade treaties were made before World War I with Colombia, Costa Rica, France, Norway, Sweden, and Switzerland. There is no record that Canada exercised the privilege thus offered.

[2] See page 759. The text of the supplementary convention of 1909 and correspondence relating to it are printed in *Sessional Papers*, 1909, Nos. 101 and 102.

negotiation. Canadian Government desire to proceed with ratification of convention but earnestly hope that when the French Chambers finally revise tariff they will not make any changes that would operate disadvantageously to trade between both countries which provisions of convention have been designed to encourage. Canadian Government respectfully request His Majesty's Government to make representations to French Government to this effect through His Majesty's Ambassador at Paris.

GREY

838. *Colonial Secretary to Governor General*

TELEGRAM London, January 19, 1910

With reference to your telegram of 18th January, am asking Secretary of State for Foreign Affairs to make representations to Government of France accordingly.

CREWE

839. *Colonial Secretary to Governor General*

DESPATCH 58

My Lord, Downing Street, January 27, 1910

With reference to my telegram of the 19th of January, I have the honour to transmit to Your Excellency for the information of your Ministers, copy of a despatch from His Majesty's representative at Paris on the subject of the proposed increase in the minimum French tariff on agricultural implements.

I have etc.

CREWE

[ENCLOSURE]

Minister in France to Foreign Secretary

DESPATCH 20 COMMERCIAL

Sir, Paris, January 22, 1910

I have the honour to transmit to you herewith a copy of a note which in accordance with instructions contained in your despatch No. 15 Commercial (2294/10) of yesterday's date, I have to-day addressed to the French Government with regard to the proposed increase in the duties of the French minimum tariff on agricultural implements, and calling special attention to the disappointment which will be caused in view of the Commercial Convention recently concluded between the two countries.

I understand that the British Chamber of Commerce in Paris have already addressed representations on this subject to the French Minister of Commerce.

I have etc.
L. D. CARNEGIE

[SUB-ENCLOSURE]

Minister in France to Foreign Minister of France

Paris, January 22, 1910

Monsieur le Ministre,

I have received instructions from His Majesty's Government to call your serious attention to a representation which has been received from the Government of Canada with regard to the proposed increase in the French minimum tariff of the duty on agricultural implements.

The Government of Canada point out that in view of the Commercial Convention recently concluded, which now awaits ratification, great disappointment will be caused by the proposed increase of the duty on importation into France of one of the chief manufactures of the Dominion.

The provisions of the Convention will consequently be rendered less desirable to Canada than was foreseen at the time of its negotiation, and the Canadian Government earnestly hope that the Government of the Republic will take advantage of the discussion of the Bill in the Senate to propose the maintenance of the existing duties and thus avoid a change disadvantageous to the trade between both countries, which the provisions of the Commercial Convention were specially designed to encourage.

I have etc.
L. D. CARNEGIE

840. *Colonial Secretary to Governor General*

DESPATCH 146

Downing Street, February 26, 1910

My Lord,

With reference to my despatch No. 58 of the 27th January, I have the honour to transmit to Your Excellency for the information of your Ministers, the enclosed copy of a despatch addressed to the Secretary of State for Foreign Affairs by His Majesty's Ambassador at Paris relative to the proposed increase in the French duties on certain agricultural implements.

I have etc.
CREWE

[ENCLOSURE]

Ambassador in France to Foreign Secretary

DESPATCH 44 COMMERCIAL

Paris, February 20, 1910

Sir,

With reference to my despatch No. 20 Commercial of the 22nd instant[1] with regard to the representations of the Canadian Government as to the

[1] The intended reference is January 22.

proposed increase in duties on certain agricultural implements, I have the honour to transmit to you herewith a copy of Monsieur Pichon's reply to the Note addressed to him on the subject by Mr. Carnegie.

I have etc.

FRANCIS BERTIE

[SUB-ENCLOSURE]

Foreign Minister of France to Ambassador in France

Paris, le 14 février 1910

Monsieur l'Ambassadeur,

Par une lettre en date du 22 janvier, l'honorable [M.] Carnegie m'a adressé au nom du Gouvernement de Sa Majesté une communication destinée à attirer mon attention sur l'inquiétude qu'auraient provoquée au Canada les relèvements de droits récemment votés par la Chambre sur les machines agricoles de fabrication étrangère à leur entrée en France.

Je vous serais reconnaissant de faire savoir au Gouvernement du Dominion que le Gouvernement de la République s'est justement préoccupé, au lendemain de l'établissement d'une convention commerciale avec le Canada, de ménager autant qu'il le pouvait l'importation directe de cette colonie en France, spécialement pour l'article qui intéresse le plus son commerce.

C'est ainsi que, lors de la discussion à la Chambre, Monsieur le Ministre de Commerce a demandé et obtenu que les faucheuses, moissonneuses et moisonneuses-lieuses, quel que soit leur poids, fussent taxées à l'égal des machines agricoles, pesant moins de 400 kilos et ne payant que 12 Frs, au tarif minimum, alors que toutes les autres machines supérieures à 400 kilos supportent un droit de 15 francs au tarif minimum. Or, comme vous le savez, les faucheuses et moissonneuses sont le principal article mécanique d'importation canadienne.

Vous pouvez être assuré d'ailleurs que, dans la suite de la discussion au Sénat, le Gouvernement ne manquera pas de s'inspirer des sentiments qui ont dicté jusqu'à ce jour sa politique économique à l'égard du Canada et qu'il s'efforcera, dans la mesure du possible, de mettre en harmonie les intérêts commerciaux et industriels des deux pays.

Agréez etc.

S. PICHON

GERMANY: COMMERCIAL RELATIONS

841. *Governor General to Colonial Secretary*

PARAPHRASE OF TELEGRAM Ottawa, February 1, 1910

Canadian Government while at present unable to take action for extension of Franco-Canadian Convention to nations not entitled to it under existing treaties will be disposed to arrange for surtax on German goods to be abolished, on condition that Government of Germany should grant her con-

ventional tariff on certain products of Canada reserving question of general treaty for further consideration. Informal negotiations proceeding with this view between one of Canadian Ministers and German Consul General[1] at Montreal. Consul has no official recognition for diplomatic functions but Canadian Government hope that if he is authorized by German Government no objection will be offered to his acting for purpose of making such temporary arrangements. Surtax can be abolished by Order in Council.

GREY

842. *Minister of Finance to Consul of Germany*

Dear Dr. Lang, Ottawa, February 8, 1910

In the somewhat informal negotiations which we have had respecting the tariff arrangements between Germany and Canada, having in view the suspension of the surtax by Canada and the granting of the conventional tariff by Germany on the specified list of Canadian products, such an arrangement would be carried out on the part of Canada by an order of His Excellency the Governor General in Council, acting under the provisions of an Act of the Parliament of Canada entitled The Customs Tariff, 1907. Before signing the proposed agreement I shall obtain the consent of His Excellency the Governor General in Council for such purpose.

It is important that I should know that you have a similar authority from your Government to make the arrangement on the part of Germany. I shall be glad to have your assurance that you are fully authorized for this purpose and that, on your signing the memorandum of agreement which you contemplate, immediate action will be taken by the German Government for putting it into effect.

Yours faithfully,

W. S. FIELDING

843. *Consul of Germany to Minister of Finance*

Dear Mr. Fielding, Ottawa, February 11, 1910

In reply to your letter of the 8th instant, with regard to the informal negotiations which we have had respecting the tariff arrangements between Germany and Canada, having in view the suspension of the surtax by Canada and the granting of the conventional tariff by Germany on the specified list of Canadian products, I have the honour to assure you that I am fully authorized by my Government to make the arrangement contemplated, and that, on my signing the memorandum of agreement, immediate action will be taken by the German Government for putting it into effect.

I have etc.

DR. KARL LANG

[1] Dr. Lang's rank was that of Consul.

844. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, February 12, 1910

Referring to your telegram of the 1st of February, no objection to informal negotiations with Consul General, but with reference to my cypher telegram of June 11th, 1908, presume that your Government will not overlook bearing of any arrangement on questions now being considered by West Indian Royal Commission. Please see remarks at Barbados Conference by Jones.

CREWE

845. *Governor General to Colonial Secretary*

DESPATCH 76 Ottawa, February 16, 1910

My Lord,

With reference to my telegram of the 15th instant regarding trade relations with Germany, I have the honour to transmit, herewith, for Your Lordship's information, copy of an approved Minute of His Majesty's Privy Council for Canada, upon which it was based.

Your Lordship will observe that upon a memorandum from the Minister of Finance reporting, as a result of certain informal negotiations which have taken place from time to time respecting the tariff relations between Canada and Germany, that the German representative had abandoned the contention that the products of Germany should receive in Canada the same treatment as the products of the United Kingdom, my responsible advisers recommended that the Minister of Finance be authorized, on behalf of the Canadian Government, to sign an agreement whereby the surtax imposed on German goods coming into Canada may be removed, and Canada in return for this concession may receive the benefits of the German conventional tariff upon a list of products specified.

This agreement was accordingly entered upon on the 15th instant.

I have etc.

GREY

[ENCLOSURE]

Order in Council

P.C. 278 February 14, 1910

On a memorandum, dated 12th February, 1910, from the Minister of Finance, reporting the result of certain informal negotiations which have from time to time taken place respecting the tariff relations between Germany and Canada;

The Minister states that an unfortunate difference between the two countries arose in the year 1898 and has continued until the present time. The moment seems to have arrived when, although a full settlement of

tariff questions may not be reached, an understanding may be come to which will to a considerable extent remove causes of friction and pave the way for a more comprehensive arrangement in the future;

That prior to the time at which the difference arose, the tariff relations between the two countries were subject to the conditions of a treaty between Her Majesty the Queen and the German Zollverein of date the thirtieth day of May, 1865.

This treaty contained no specific reference to Canada or to the British North America Provinces as then constituted. But it applied to the whole Empire. The provisions of the treaty were materially different from those which are usually found in British treaties with foreign countries. Many of the old British treaties, not specifically relating to Canada but applicable to the Empire at large, contain what are known as most favoured nation clauses. The effect of such clauses is that the British Government guarantees to the contracting nation the most favourable commercial advantages that may be granted to any other foreign country. The provisions of the treaty with Germany were much broader. The treaty provided that no other or higher duties should be levied in the British colonies on the products of Germany than on the products of the United Kingdom. This treaty and another of similar character were long regarded as objectionable from a colonial point of view as being an obstacle to freedom of commercial relations between the Mother Country and the outlying portions of the Empire. Representations from the colonies against the continuance of these treaties were made on several occasions. After the granting of a preferential tariff to Great Britain by Canada in 1897 the British Government denounced these treaties and they were terminated on the first day of August, 1898. After that date German goods were entitled to admission into Canada under the general tariff. Germany resented this state of affairs and penalized Canada by subjecting Canadian products to the higher duties of the German tariff instead of the conventional tariff duties which had previously applied. Steps were taken by the Canadian Government to remonstrate against what was deemed to be an injustice to Canada. It was pointed out that the tariff relations between the United Kingdom and the colonies were matters of domestic concern with which no foreign Government could reasonably interfere; that Germany should not claim the same privileges as were granted by the Dominion to the Mother Land; and that Canada was granting to Germany the same terms as were granted to other foreign countries. Germany, however, refused to accept this reasoning and continued to impose the penalizing duties on Canadian products. After protracted and unsuccessful efforts to induce the German authorities to withdraw their demand for the same treatment as was accorded Great Britain, it was deemed necessary to apply to the products of Germany the surtax authorized by Section 7 of 'The Customs Tariff, 1897,' and accordingly regulations were made by an Order in Council of date the 28th day of November, 1903, subjecting articles, the produce or manufacture of Germany, to a surtax of one-third over and above the duties specified in the general tariff.

From that date up to the present time the products of Germany imported into Canada have been subject to the duties of the general tariff and of such surtax, and Canadian products imported into Germany have not received the benefits in any case of the conventional tariff rates.

Representations have been made to the Minister from time to time by the Imperial German Consuls at Montreal as to the desirability of reaching a better understanding between the two countries. In these informal negotiations the German representatives have abandoned the contention which was the chief cause of difference between the two countries, namely, that the products of Germany should receive in Canada the same treatment as the products of the United Kingdom. In the meantime the commercial relations of Canada with foreign countries have assumed a new phase owing to the making of the Franco-Canadian Commercial Convention which has now gone into operation. Germany naturally desires to be admitted to the benefits of this convention on the same terms as France. The moment appears to be an unfavourable one for entering upon negotiations for a comprehensive commercial treaty with Germany. It has, however, been deemed expedient to conduct negotiations with a view to a partial arrangement which would bring about a better understanding between the two countries. The Minister, being of the opinion that it is in the interests of both countries that such an arrangement be made, has endeavoured to come to an agreement whereby the surtax of which Germany complains might be suspended, thus leaving German products to be admitted under the terms of the general tariff, and Canada receive in return for this concession the benefits of the German conventional tariff upon a list of products to be specified. After considerable negotiation between the Imperial German Consul and the Minister, a list of Canadian products to which the benefits of the German conventional tariff may be applied has been agreed upon.

The Minister submits a draft of a proposed agreement to be entered into between the Imperial German Consul, on behalf of the German Government, and the Minister of Finance on behalf of the Government of Canada, and recommends that he be authorized to sign such agreement.

The Committee submit the same for approval.

[SUB-ENCLOSURE]

Trade Agreement Between Germany and Canada

AGREEMENT entered into this 15th day of February, 1910, between Dr. Karl Lang, Imperial German Consul for Canada, representing herein the Imperial German Government,

Party of the one part,

and Honourable William Stevens Fielding, Minister of Finance of Canada, representing herein His Excellency the Governor General of Canada acting in conjunction with the King's Privy Council for Canada,

Party of the other part:

It is hereby respectively agreed, on behalf of the Imperial German Government and of His Excellency the Governor General of Canada acting as aforesaid, that—

1. The Imperial German Government shall concede to articles the produce or manufacture of Canada, enumerated in the schedule hereto attached, upon their importation into Germany, on or after the first day of March, 1910, the conventional tariff rates of duty;

2. The Governor General of Canada acting as aforesaid shall, under the authority of Section 7 of the Act of the Parliament of Canada, 'The Customs Tariff, 1907', suspend the surtax imposed under regulations made by the Governor in Council of date the 28th day of November, 1903, from application to articles the produce or manufacture of Germany imported into Canada on or after the 1st day of March, 1910, and, in consequence, during the continuation of this Agreement, articles the produce or manufacture of Germany shall be admitted on their importation into Canada on or after the said 1st day of March, 1910, at the rates of duty imposed by the general tariff;

3. This Agreement is a provisional one, and the question of a general convention for the regulation of commercial relations between Germany and Canada shall be deferred for consideration at a time that may be found mutually convenient;

4. If, after a reasonable time, a commercial convention such as is contemplated by the next preceding clause has not been entered into, then either of the principals herein represented may, if it is deemed desirable, terminate or cancel the respective concessions granted in pursuance hereof on giving to the other two months' notice of intention so to terminate or cancel.

Done in duplicate at the City of Ottawa.

In testimony whereof the said parties have hereunto subscribed their names on the day first mentioned.

846. *Colonial Secretary to Governor General*

DESPATCH 222

Downing Street, March 30, 1910

My Lord,

I have the honour to acknowledge the receipt of Your Excellency's despatch No. 76 of the 16th of February forwarding a Minute of the Canadian Privy Council on the subject of the commercial relations of the Dominion and Germany.

2. His Majesty's Government congratulate your Ministers on this termination of a tariff war which has lasted for more than six years; and they see with much pleasure that the return to more normal conditions of commercial intercourse is based on the admission of the principle that tariff arrangements within the Empire are matters of purely domestic concern.

I have etc.

CREWE

ITALY: COMMERCIAL RELATIONS

847. *Colonial Secretary to Administrator*

DESPATCH 402
Sir, Downing Street, June 16, 1909

With reference to my despatch No. 419 of the 15th of July last, I have the honour to transmit to you for the consideration of your Ministers, the enclosed copy of a despatch addressed to the Secretary of State for Foreign Affairs by His Majesty's Ambassador at Rome reporting the substance of a discussion in the Italian Chamber regarding the conclusion of a commercial convention between Italy and Canada.

2. I should be glad to be favoured in due course with information as to the progress of the preliminary negotiations which I see from Sir R. Rodd's despatch were to be commenced after the 20th May.

I have etc.
CREWE

[ENCLOSURE]

Ambassador in Italy to Foreign Secretary

DESPATCH 47 COMMERCIAL
Sir, Rome, May 11, 1909

With reference to Sir E. Egerton's despatch No. 60 Commercial of the 6th June last, I have the honour to report that the question of the commercial relations between Italy and Canada was again raised in the Chamber of Deputies yesterday. The Minister of Agriculture and Commerce was asked why Canada had not granted to Italy the same favourable treatment for the importation of silks as had been accorded to other countries, and whether further steps should not be taken by the Italian Government to obtain the facilities given to others.

The interpellator, Signor Scalini, called attention to the importance of Italy's exports to Canada, amounting to more than 4 millions *lire* per annum, and consisting principally of very cheap silk. The Government, he said, had not acted with sufficient energy in the interests of the silk trade. He urged that something should be done before the Franco-Canadian Convention comes into force.

The Minister for Foreign Affairs, who replied, said that the Government had for a long time endeavoured to negotiate in a friendly way with Canada but owing to the attitude of passive resistance invariably shown by the latter, nothing had come of their effort. Recently, again, Canada had been invited to conclude a treaty, and had now promised to commence preliminary negotiations after the 20th instant, and he hoped they might be more successful this time.

I have etc.
[R. RODD]

848. *Colonial Secretary to Governor General*

DESPATCH 653

My Lord, Downing Street, October 30, 1909

With reference to my despatch No. 402 of the 16th June, I have the honour to enquire whether your Government have yet taken any action in regard to negotiations for a commercial convention between Italy and Canada, and if so what is the present position of the matter.

I have etc.

CREWE

849. *Colonial Secretary to Governor General*

DESPATCH 714

My Lord, Downing Street, December 4, 1909

With reference to my despatches No. 402 of the 16th June and No. 653 of the 30th October, I have the honour to transmit to Your Excellency, to be laid before your Ministers, the enclosed copy of a note addressed to the Secretary of State for Foreign Affairs by the Italian Ambassador representing the desire of the Italian Government that negotiations should be opened as soon as possible with a view to the conclusion of a commercial treaty between Canada and Italy.

2. I shall be glad to receive the observations of your Ministers on the matter at the earliest possible date.

I have etc.

CREWE

[ENCLOSURE]

Ambassador of Italy in United Kingdom to Foreign Secretary

TRANSLATION[1]

Sir, London, November 29, 1909

The Government of the Dominion of Canada who entered some time ago into official communication with the Italian Government with a view to the conclusion of a commercial treaty are now hesitating to proceed to definite negotiations, which it would, however, be necessary to initiate and bring quickly to a termination in order to avoid the application of the Canadian differential tariff to Italian goods which would gravely prejudice the importation of these goods as compared with those of France, Switzerland and other countries.

If this happened, the Italian Government would not be able to continue to extend the present favourable treatment to Canadian importations into Italy, and they would be obliged to have recourse to the application of a retaliatory tariff, a situation being thus created which would prejudice the

[1] As received from London.

relations between the two countries and would render more difficult the conclusion of a treaty which it is of the utmost interest to conclude both for Italy and for Canada.

In such circumstances I am directed by my Government to ask you to be good enough to use your good offices with the Canadian Government in order that official negotiations may be opened as soon as possible with a view to the conclusion of an Italo-Canadian commercial treaty.

I shall be grateful if you will be good enough to let me know in due course what you may have been able to do in the matter, and, whilst thanking you in advance,

I have etc.

A. DI SAN GIULIANO

850. *Minister of Finance to Consul of Italy*

Ottawa, May 23, 1910

Dear Cav[aliere] Scelsi,

Referring to the several interviews which we have had respecting the commercial relations between Italy and Canada, having in view the making of a temporary arrangement covering the granting of the Italian conventional rates of duty on a specified list of Canadian products, and the granting of the Canadian intermediate tariff rates of duty on a specified list of Italian products, I beg to inform you that effect can be given to such agreement, so far as Canada is concerned, by means of an Order of His Excellency in Council, acting under the terms of the Act of the Parliament of Canada entitled The Customs Tariff, 1907; and before signing such proposed agreement I shall obtain the consent of His Excellency the Governor in Council for such purpose.

It is important that I should know that you have a similar authority from your Government to make the arrangement on the part of Italy. I shall be glad to have your assurance that you are fully authorized for this purpose and that, on your signing the memorandum of agreement which you contemplate, immediate action will be taken by the Italian Government for putting it into effect.

Yours faithfully,

W. S. FIELDING

851. *Consul of Italy to Minister of Finance*

Montreal, May 24, 1910

Dear Mr. Fielding,

I have the honour to acknowledge receipt of your letter of the 23rd instant concerning the several interviews which we have had respecting the commercial relations between Canada and Italy, having in view the making of a temporary arrangement covering the granting of the Canadian intermediate tariff rates of duty on a specified list of Italian products, and the granting of the Italian conventional rates of duty on a specified list of

Canadian products, and I may assure you that I am fully authorized by my Government to make the temporary arrangement contemplated, and that on my signing the memorandum of agreement, immediate action will be taken by the Italian Government for putting it into effect.

Yours faithfully,

SCELSI

852. *Order in Council*

P.C. 1086 June 3, 1910

On a memorandum from the Minister of Finance, dated the 23rd May, 1910, on the subject of the commercial relations between Italy and Canada, representing:

That prior to the adoption of the Convention respecting the commercial relations between France and Canada, Italian goods imported into Canada were admitted at the same rates of duty as similar goods from other foreign countries;

That the adoption of the Franco-Canadian Convention grants to certain products of France the rates of the Canadian intermediate tariff;

That, incidentally, the same advantages are granted to certain other countries by virtue of certain old treaties containing most favoured nation clauses; but that, as Italy is not one of the countries having such a treaty, the products of Italy are not at present entitled to the benefits of the Convention;

That representations have been made by the Royal Consul of Italy for Canada as to the desirablility of a commercial treaty to govern the relations between Italy and Canada; but that, as the making of such a treaty in the usual formal manner would involve considerable delay, it is desirable that a temporary arrangement mutually satisfactory be entered into;

That Italy has two tariffs, known as the general tariff, the higher one, and the conventional tariff, the lower one; some articles of interest to Canadian exporters being free, while on other articles of like interest there is no conventional rate;

That Canada, not having treaty arrangements with Italy, is not entitled to the benefits of the Italian conventional tariff, and that, therefore, it is desirable that in the making of a temporary arrangement Italy should grant to Canada the benefits of her conventional tariff, on a specified list of Canadian products, in return for the granting by Canada of the benefits of the intermediate tariff on a specified list of Italian products;

That the Minister of Finance and the Royal Consul of Italy for Canada have been in communication, with a view to the selection of approved lists of articles for the purpose of such temporary arrangement, and that, as a result of such communication, the Minister of Finance submits a draft of a proposed agreement to be entered into between the Royal Consul of Italy for Canada, on behalf of the Italian Government, and the Minister of Finance, on behalf of the Government of Canada;

The Committee of the Privy Council recommend for approval said draft of a proposed agreement to be entered into between the Royal Consul of Italy for Canada, on behalf of the Italian Government, and the Minister of Finance, on behalf of the Government of Canada, and that the Minister of Finance, on behalf of the Government of Canada, be authorized to sign such agreement.

853. *Commercial Agreement between Italy and Canada*

AGREEMENT entered into this sixth day of June, 1910, between Cavalier Lionello Scelsi, Royal Consul of Italy for Canada, representing herein the Government of the Kingdom of Italy,

Party of the one part;

and the Honourable William Stevens Fielding, Minister of Finance of Canada, representing herein His Excellency the Governor General of Canada acting in conjunction with the King's Privy Council for Canada,

Party of the other part:

It is hereby respectively agreed, on behalf of the Government of the Kingdom of Italy and of His Excellency the Governor General of Canada acting as aforesaid, that

1. The Government of the Kingdom of Italy shall concede to goods the produce or manufacture of Canada enumerated in Schedule A hereto attached, upon their importation into Italy, on and after the 10th day of June, 1910, the conventional import duties;

2. The Governor in Council of Canada acting as aforesaid shall, under the authority of Section 4, Subsection (*c*), of the Act of the Parliament of Canada, "The Customs Tariff, 1907," on and after the 10th day of June, 1910, extend the benefit of the intermediate tariff to goods the produce or manufacture of Italy enumerated in Schedule B hereto attached, when imported direct from Italy or from a British country, that is to say when conveyed without transshipment from a port of Italy or from a port of a British country into a sea or river port of Canada;

3. This agreement is a provisional one, and the question of a general convention for the regulation of commercial relations between Italy and Canada shall be deferred for consideration at a time which may be found mutually convenient;

4. If, after a reasonable time, a commercial convention such as is contemplated by the next preceding clause has not been entered into, then either of the principals herein represented may, if it is deemed desirable, terminate or cancel the respective concessions granted in pursuance hereof on giving to the other two months' notice of intention so to terminate or cancel.

Done in duplicate at the City of Ottawa.

In testimony whereof the said parties have hereunto subscribed their names on the day first mentioned.

SCELSI

W. S. FIELDING

JAPAN: COMMERCIAL RELATIONS

854. *Colonial Secretary to Governor General*

DESPATCH 108

My Lord, Downing Street, February 23, 1909

I have the honour to request that Your Excellency will be so good as to inform your Ministers that on the 2nd of February the Japanese Minister for Foreign Affairs, in a speech in the Diet on foreign relations, announced publicly the intention of the Japanese Government to give notice next year of the termination of existing commercial treaties.

2. It was added that when this was done the Japanese Government would at the proper moment open negotiations with the Powers individually, for the conclusion of new treaties.

I have etc.

CREWE

855. *Order in Council*

P.C. 2655 January 11, 1911

The Committee of the Privy Council have had before them a report, dated December 27, 1910, from the Secretary of State for External Affairs, to whom was referred a despatch, dated June 1, 1910, from the Right Honourable the Principal Secretary of State for the Colonies, transmitting copy of the draft customs tariff law of Japan, and enquiring whether the proposed tariff will affect adversely any commercial interests in the Dominion.

The Minister submits hereunder a statement of those articles among the principal exports from Canada to Japan upon which the Japanese Government propose to increase the tariff. The statement shows those items upon which the tariff is more largely increased. The old and proposed new tariff are indicated thereafter, together with the amount of Canadian exports: [1]

Article	Present Tariff	Proposed New Tariff	Canadian Exports to Japan, year Mar. 31, 1910
	£ s d	£ s d	$
Milk and cream, condensed, per doz. of 1 lb. tins	0 0 3	0 19 2	16,800
Flour of wheat, per cwt	0 2 6	0 2 10¼	58,136
Sewing machines, per cwt	0 19 2½	1 8 2¼	55,819
Pig lead, per cwt	0 0 6½	0 0 8.30	182,836
Explosives—			18,700
Gunpowder, per cwt	0 10 10¾	0 13 11	
Dynamite, " "	0 9 8¼	0 10 6½	
			332,291
Total Canadian exports to Japan			660,522

[1] Alignment of entries in table has been adjusted for the reader's convenience.

The Minister observes that the Minister of Trade and Commerce considers that while the total exports from Canada to Japan for the fiscal year ended March 31, 1910 amounted to only $660,522, there is every reason to believe that the trade should very largely increase in the near future; but it appears that some of the more promising of the Canadian exports—notably in the case of sewing machines and condensed milk and cream—will be met with a prohibitive tariff as is shown by the above figures.

The Committee, on the recommendation of the Secretary of State for External Affairs, advise that Your Excellency may be pleased to forward a copy hereof to the Right Honourable the Principal Secretary of State for the Colonies, with the suggestion that strong representations should be forwarded to the Japanese authorities against such heavy increases in the tariff as those now proposed.

All which is respectfully submitted for approval.

856. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH

My Lord, Downing Street, February 2, 1911

With reference to my telegram of the 18th of January, I have the honour to transmit to Your Excellency, to be laid before your Ministers, the accompanying copy of a Note from the Japanese Ambassador,[1] giving notice of the termination of the Convention of January 31, 1906, respecting commercial relations between Canada and Japan.

It will be seen that the Japanese Government trust that it will be possible for His Majesty's Government on behalf of the Dominion to adhere to the new commercial arrangement now in contemplation between the Japanese and the British Governments, and I should be glad if you would inform your Ministers that His Majesty's Government are engaged in a negotiation with the Japanese Government with a view to concluding a new treaty in place of that of 1894. It is not yet possible to say what the exact terms of the new arrangement will be, but they will follow generally the lines of the draft model treaty laid before the Colonial Conference of 1907, subject to two important modifications.

In the first place the new Treaty will provide for reciprocal freedom of entry into the territories affected by its terms, and in the second place it has been found necessary in deference to the wishes of the Japanese Government to omit the proviso to the "Colonial clause" under which, although a Dominion may not adhere to the Treaty, goods produced or manufactured therein will be entitled to most-favoured-nation treatment in Japan so long as such Dominion in fact grants most-favoured-nation treatment to Japan.

As your Ministers are aware the proviso is not reciprocal, and while it confers great advantages on non-adhering parts of the Empire, it confers no corresponding advantage upon Japan, and the Japanese Government have felt unable to accept it.

I have etc.

L. HARCOURT

[1] Not printed.

857. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, February 14, 1911

SECRET. General negotiations between Imperial Government and Japanese Government for a commercial treaty have now practically reached a conclusion. See my confidential despatch of February 2 and your despatch of January 18 in reply to my predecessor's despatch of June 1, 1910.

The draft provisionally agreed upon probably contains some provisions (e.g., relating to right of entry and residence) on which Canada may think it necessary to make separate reservation as a condition of adhesion. At the same time Canada may desire to propose some supplementary reciprocal agreement on tariff matters.

With the concurrence of your Government, I therefore propose to ascertain from the Japanese Ambassador whether he would be prepared to negotiate supplementary protocol if Canada so desires as condition of adhesion. If reply is received in the affirmative, I would suggest that representative should be sent here by your Government to discuss with British and Japanese delegates the extent to which the provisionally settled treaty is acceptable to your Government and the terms of any supplementary protocol or reservation which may be thought necessary. I recognize that it is open to Canadian Government, if they prefer, to postpone any action until the main treaty has been signed and officially considered by them, but it is possible at the present stage, while the Japanese delegates are in London, the necessary negotiations may be conveniently undertaken.

HARCOURT

858. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, February 27, 1911

Referring to your telegrams of 14th February and 24th February. Have just received from Ministers following message which they ask me to telegraph to you. Begins. If terms of proposed treaty between Great Britain and Japan are now settled Ministers would be glad to have definite information as to the points in which it differs from the Treaty of 1894, so that they may consider whether Canada should adhere or suggest modifications or seek a separate treaty. The points of special interest to Canada are the tariff and immigration. Will Great Britain receive favoured-nation treatment and will this be extended to Canada by Japan on reciprocal conditions? Is there any understanding as to willingness of Japan to make any special conditions with British Colonies concerning immigration?

GREY

859. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, March 3, 1911

SECRET. Following is strictly confidential as draft treaty between United Kingdom and Japan is not yet signed:

As regards emigration, Treaty makes no alteration in provisions of 1894 Treaty. National treatment is accorded as regards entrance, travel, residence, commerce and manufacture.

As regards pursuit of industries, professions and educational studies, most-favoured-nation treatment is given. If Canada adheres to Treaty Japanese Ambassador believes that Japanese Government would be prepared to make a declaration that they have no intention of modifying their present policy as regards emigration to Canada. Japanese Ambassador is now in communication with his Government on the subject. Treaty gives most-favoured-nation treatment to United Kingdom as regards customs duties with tariff reductions on certain articles largely exported to Japan from United Kingdom.

By adhering to the Treaty Canada would obtain in Japan most-favoured-nation treatment, including participation in tariff concessions granted to United Kingdom. As regards Japanese duties on the articles specified in your despatch of January 2, Ambassador gave detailed reasons which he says have already been given through Japanese Consul General at Ottawa, unofficially, to your Ministers, why Japanese Government cannot reduce duties.

He is, however, ascertaining from his Government whether a proposal to arrange a reciprocal tariff agreement with Canada providing for reductions of duty on both sides would be entertained.

The exemption of the coasting trade from Treaty, recognition of the rights of companies registered in one contracting state to sue in the courts of the other and the provision of Custom-house facilities for commercial travellers' samples, are the principal other differences from the 1894 Treaty which appear to affect Canada.

Treaty is for twelve years certain but with provisions enabling separate denunciation as regards any Dominion by twelve months' notice given at any time.

HARCOURT

860. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, March 7, 1911

SECRET. Referring to your telegram of March the 6th and my telegram of March the 3rd, text of Treaty will be sent as soon as possible.

Japanese Ambassador has now informed His Majesty's Government that he has received telegram from Tokio stating that his Government are not inclined at present moment to conclude special reciprocal tariff arrangement with Canada.

Japanese Government explain that it would be necessary for the conclusion of such an arrangement to select for reduction of duties articles in which Canadian trade has a relatively large interest so as to minimize effects resulting from participation of other countries under most favoured nation clause. At present, except possibly pig-lead on which *ad valorem* basis of duty has not been raised, none of articles mentioned as specially interesting Canada comply with this condition.

If, however, Canada adheres to new Treaty Japanese Government will not hesitate to take matter of special tariff arrangement into consideration when development of trade reaches stage which will warrant conclusion of Tariff Convention which will be mutually satisfactory.

Telegram from Japanese Government goes on as follows. [Begins.] Imperial Government intend to maintain their policy with regard to restriction of Japanese immigration to Canada after the expiration of present arrangement with the latter. The understanding arrived at between the two Governments in 1908 on the subject of immigration is quite independent of existing Treaty concluded in 1906, and does not terminate on the expiration of that Treaty. [Ends.]

Please telegraph whether the above assurance is satisfactory to Canadian Government.

HARCOURT

861. *Governor General to Colonial Secretary*

PARAPHRASE OF TELEGRAM Ottawa, March 12, 1911

Answering your telegraphic despatch of the 7th March, with regard to the Japanese Treaty, statement by Japanese Government that the arrangement of 1908 on the subject of emigration to Canada will be continued is quite satisfactory.

My Ministers, however, hope that the dispositions on this subject included in the treaty with the United States will also be included in any treaty affecting Canada.

GREY

862. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, March 24, 1911

SECRET. Your telegram of the 12th March. There are no formal stipulations as to immigration in the new Treaty between Japan and the United States, but a declaration has been attached to correspondence that the Japanese Government are fully prepared to maintain with equal effectiveness the limitation and control which they have exercised for the last three years in the regulation of the emigration of labourers to the United States. Despatch follows by mail.

With reference to my telegram of the 7th March, I should add that the Japanese Government stated that in their opinion an assurance to Canada in respect to immigration was unnecessary and they did not think any misunderstanding would arise in the absence of such an assurance.

HARCOURT

863. *Consul General of Japan to Minister of Finance*

NOTE VERBALE

Regarding those inquiries which were made by the Honourable W. S. Fielding, Minister of Finance, on the occasion of his interview with Mr. T. Nakamura, Consul General of Japan, at Ottawa, which took place on April 17 at the Prime Minister's Office, the latter has been instructed by the Imperial Japanese Government to express their views in the following sense:

While the Imperial Japanese Government keenly desire to see a further development in the commerce between their country and Canada, they are of opinion that in view of the present state of trade between the two countries, no tariff arrangements which may be satisfactory to both parties can for the present be established. It is therefore highly desirable that the Canadian Government will appreciate this reason by looking into the letter dated February 27 from the Consul General of Japan to the Minister of Finance as well as into the note of the Japanese Ambassador in London, a copy of which the Consul General handed to the Minister on April 17, and may come to a final decision to adhere to the new Treaty[1] between Great Britain and Japan, without insisting upon the conclusion of special tariff convention, the negotiations of which the Imperial Government desire to defer until the commercial development between Canada and Japan may reach such a stage as to warrant the conclusion of that convention to the mutual satisfaction of both parties.

In the event of Canada's adherence to the new Treaty, while the treaty relations between Canada and Japan will, on the one hand, be happily continued without interruption after July next, Canada may, on the other, secure the same position as the United States has in her new Treaty with Japan in respect of customs duty, a position similar to that which Canada is now enjoying in her present Treaty with Japan in acquiring the guarantee of the most favoured nation treatment.

The Imperial Japanese Government have no hesitation in expressly declaring that it is their policy not to extend the term of their present Treaty with any country, even though the new Treaty could not be concluded before the expiration of the existing one. However, in case unavoidable circumstances prevent the conclusion of a new treaty in due time, the Imperial Government may, as a matter of convenience, enter, with the parties concerned, into a temporary agreement engaging the reciprocal grant of the most favoured nation treatment for the purpose of regulating their commercial and tariff relations pending the conclusion of a new treaty. But, they are firmly determined not to extend the term of their existing Treaty with any country.

Regarding the tariff question between Canada and Japan, the Imperial Government, as aforesaid, do not anticipate that the negotiations may be concluded satisfactorily at the present time. It is therefore very probable that

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[1] Text of the Anglo-Japanese Treaty and further correspondence between W. S. Fielding and the Japanese Consul General are found in *Sessional Papers*, 1911, 95d and 95e. The Treaty went into effect on July 17, 1911.

the existing Treaty between Canada and Japan may eventually expire before their new treaty relations have been established. To prevent such an eventuality, a temporary agreement may be contemplated between Canada and Japan, by which the reciprocal grant of the most favoured nation treatment will be made, in order that the question of the special tariff convention may be carefully considered in future. But, this object can better be attained by Canada's adherence beforehand to the new Treaty between Great Britain and Japan, as the most favoured nation treatment is guaranteed in that Treaty and this adherence does in no way prevent the future negotiations concerning the conclusion in proper time of a special tariff convention between Canada and Japan.

Under these circumstances, the Imperial Japanese Government earnestly hope that the Canadian Government, taking into consideration the special relations now existing between Great Britain and Japan, may find it suitable to adhere, before the termination of the present Treaty between Canada and Japan, to the new Treaty between the latter and Great Britain, with a view not to leave the matter unsettled, but to place the existing happy relations between Canada and Japan upon as strong a foundation as possible, and may also decide to defer the negotiations concerning the special tariff convention between Canada and Japan until their commercial development may reach such a stage as to warrant the conclusion of that convention to the mutual satisfaction of both parties.

[Ottawa,] April 24, 1911

864. *Minister of Finance to Consul General of Japan*

Sir, Ottawa, May 10, 1911

Referring to our several interviews and to the Note Verbale of the 24th April last, communicated to me by you this day in an amended form, I have to observe that the terms and conditions of the Treaty of the 3rd April, 1911, between Great Britain and Japan do not seem to be in their entirety adapted to the circumstances of Canada, and, therefore, we have some hesitation in advising that immediate adherence to it on the part of Canada which your Government desires.

Article 8 of the Treaty of the 3rd April provides that:

> The articles, the produce or manufacture of the United Kingdom enumerated in Part I of the Schedule annexed to this Treaty, shall not, on importation into Japan, be subjected to higher customs duties than those specified in the Schedule.
>
> The articles, the produce or manufacture of Japan enumerated in Part II of the Schedule annexed to this Treaty, shall be free of duty on importation into the United Kingdom.

There might be a question whether in the event of Canada giving adherence to the Treaty, the schedule referred to in Article 8 would thereupon become applicable to Canada. Granting, however, that it would so apply, an

examination of its details shows that while no doubt well adapted to the conditions of the trade between Great Britain and Japan, the schedule is not wholly suitable to the commercial interchanges between Japan and Canada. Part I of the Schedule, for example, which contains a list of British products upon which maximum duties are fixed, does not include many products in the export of which Canada is largely interested; and on the other hand, Part II of the Schedule, containing a list of Japanese products to which Great Britain agrees to give admission free of duty, includes silks and other articles which are dutiable on importation into Canada although free of customs duty in Great Britain.

It would therefore appear that the Schedule to the Treaty of the 3rd April is not wholly applicable to the conditions of trade between Japan and Canada, and that if a commercial arrangement is to be made to suit these conditions it will probably have to be accomplished by means of a separate treaty. It would be reasonable to expect that the negotiations and formal steps necessary to the making of such treaty could not be completed before the 17th July next, when the present treaty will expire.

The Canadian Government, therefore, propose to avail themselves of the suggestion contained in the 3rd paragraph of the Note Verbale of the 24th April communicated to me this day:

> The Imperial Japanese Government have no hesitation in expressly declaring that it is their policy not to extend the term of their present Treaty with any country, even though the new treaty could not be concluded before the expiration of the existing one. However, in case unavoidable circumstances prevent the conclusion of the new treaty in due time, the Imperial Government may, as a matter of convenience, enter, with the parties concerned, into a temporary agreement engaging the reciprocal grant of the most favoured nation treatment, for the purpose of regulating their commercial and tariff relations pending the conclusion of a new treaty. But, they are firmly determined not to extend the term of their existing Treaty with any country.

In pursuance of what I understand to be the policy of your Government as thus set forth, I would suggest that, leaving all other matters affecting the intercourse between Japan and Canada to the mutual good will of the two countries and the comity of nations, a temporary arrangement be made providing that from and after the 17th day of July, 1911, Canada shall receive in Japan the tariff treatment as expressed in Article 5 of the Treaty of Commerce and Navigation between Great Britain and Japan, signed at London on the 16th July, 1894, which was applicable to Canada by the Convention between the United Kingdom and Japan respecting commercial relations between Canada and Japan, signed at Tokio on the 31st January, 1906, and that reciprocally Japan shall receive in Canada the tariff treatment as expressed in the said Article 5.

The question of the form in which such an agreement may most conveniently be made is a matter which can receive further consideration upon our receiving an intimation that the Japanese Government are willing to agree to the proposal herein made.

The question of immigration has been discussed between us on several occasions. I do not deem it necessary that this should be more than mentioned here, inasmuch as the assurance received from you of the willingness of your Government to continue the friendly understanding on that matter at present existing is entirely satisfactory to us.

I have etc.

W. S. FIELDING

865. *Governor General to Colonial Secretary*

PARAPHRASE OF TELEGRAM Ottawa, May 12, 1911

SECRET. With reference to previous correspondence, my Ministers think it would not be advisable for Canada to adhere to the new Japanese Treaty. To allow ample time for negotiation of a special treaty through the usual channel they propose to ask Parliament to authorize the granting of the tariff privileges now enjoyed by Japan under old Treaty for a period not exceeding two years, on condition that Japan continues present tariff privileges enjoyed by Canada. They are suggesting this arrangement to Japanese Consul General here, who has approached them on the subject.

GREY

866. *Consul General of Japan to Minister of Finance*

Sir, Ottawa, May 15, 1911

I beg to acknowledge the receipt of your letter of the 10th instant, setting forth the views of your Government in regard to some hesitation which they have in advising immediate adherence on the part of Canada to the Treaty of the 3rd April, 1911, between Great Britain and Japan, and suggesting that, leaving all other matters affecting the intercourse between Canada and Japan to the mutual good will of the two countries and the comity of nations, a temporary arrangement be made providing that from and after the 17th day of July, 1911, Canada shall receive in Japan the tariff treatment as expressed in Article 5 of the Treaty of Commerce and Navigation between Great Britain and Japan, signed at London on the 16th July, 1894, which was made applicable to Canada by the Convention between the United Kingdom and Japan respecting commercial relations between Canada and Japan, signed at Tokio on the 31st January, 1906, and that reciprocally Japan shall receive in Canada the tariff treatment as expressed in the said Article 5.

In reply, I have the honour, duly authorized by my Government, to state that the Imperial Japanese Government fully concurs in the proposal therein made by you in regard to a temporary tariff arrangement engaging the reciprocal grant of the most favoured nation treatment.

I have etc.

T. NAKAMURA

867. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH

My Lord, Downing Street, May 27, 1911

I have the honour to acknowledge the receipt of Your Excellency's telegram of the 13th instant stating that your Ministers think that it would not be advisable for Canada to adhere to the Anglo-Japanese Commercial Treaty of 1911, but that they propose, in order to allow time for further consideration of the question, to ask the Dominion Parliament to pass an Act to continue to Japan, for a period not exceeding two years, the tariff privileges which Japan now enjoys under the existing Convention on condition that an assurance is given that a reciprocal concession will be granted to Canada.

I have received a letter from the Right Honourable Sir Wilfrid Laurier on the subject of the form in which the proposed arrangement with Japan shall be recorded, from which it appears that the Act referred to has been passed by the Dominion Parliament. I enclose, for the information of your Ministers, copies[1] of this letter and of further correspondence and also of a letter to the Foreign Office, from which your Ministers will observe that it has been considered that the precedent set in 1906, when the Canadian-Japanese Convention was concluded, should be followed and that the present arrangement should be recorded through the diplomatic channel.

I have etc.

L. HARCOURT

868. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, May 27, 1911

Referring to early expiration of Treaty with Japan, to allow time for further consideration of question of new Treaty, my Government have obtained Parliamentary authority in form of Act of which following is summary: Begins. Section 1 provides for most favoured nation treatment for imports from Japan.

Section 2 provides that there shall be no discriminatory prohibition upon importations of any article from Japan. This section not applicable to sanitary or other prohibitions for protection of persons, cattle or plants.

Section 3 provides that Act shall not be brought into force until Governor General in Council is satisfied that Canada is receiving most favoured nation treatment from Japan and will continue to receive it so long as Act remains in operation.

Section 4 provides that Act shall come into force on date to be fixed by Order in Council and remain in force for not more than two years from 17th July next. Ends.

My Government understand from Japanese Consul here that his Government will be ready to grant to Canada the reciprocal advantage required by

[1] Not printed.

Section 3. Desirable that such assurance be obtained from Japanese Government in such manner as His Majesty's Government may deem best.

See "Hansard" for 18th May, copy of which went to you 25th May. Despatch follows.

GREY

869. *Ambassador of Japan in United Kingdom to Foreign Secretary*

Sir, London, June 9, 1911

I have the honour to acknowledge the receipt of your note dated June 7th on the subject of a temporary arrangement with respect to the commercial relations between the Empire of Japan and the British Dominion of Canada.

In reply I beg to state that the Imperial Government are prepared to accord the most favoured nation treatment to Canadian goods on condition of reciprocity during a period of two years from the 17th July, 1911, and to negotiate a new commercial treaty in the meantime. They deem it necessary, however, that an agreement should be concluded through the ordinary channels and binding both parties to the same effect, and further consider that the object might be accomplished by an exchange of notes.

In view of the approaching date of the expiration of the present convention, I shall be happy to know whether you would concur in the above views of my Government, and if so, whether you would consult with me regarding the necessary steps to be taken in the matter.

I have etc.

TAKAAKI KATO

870. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, July 6, 1911

Referring to your despatch of the 14th June, Acting Prime Minister suggests that, in view of the desirability of bringing into force the recent legislation with regard to reciprocal trade between Canada and Japan, before the existing Treaty expires on the 17th instant, the exchange of notes contemplated by Sir Edward Grey and the Japanese Ambassador be made forthwith and that when such exchange takes place advice thereof be cabled.

GREY

871. *Colonial Office to Minister of Trade and Commerce*

SECRET

Sir, Downing Street, November 11, 1912

With reference to your interview with the Secretary of State for Foreign Affairs on the 28th October, I am directed by Mr. Secretary Harcourt to inform you that Sir Edward Grey has now received from His Majesty's Ambassador at Tokio a reply to the telegram which was addressed to His

Excellency with a view to ascertaining the effect on Japanese opinion of the refusal of the Government of the Dominion of Canada to adhere to the Anglo-Japanese Commercial Treaty of 1911.

2. In this reply Sir Claude MacDonald states that he knows that the Japanese Government are most anxious that so important a section of the British Empire as the Dominion of Canada should adhere to the Treaty, for they looked forward to extended commercial intercourse with Canada particularly after the opening of the Panama Canal. The Japanese Government are of opinion that the adherence of Canada would help in the question of Japanese immigration, the agreement regarding which they have very loyally carried out. They also think that, should Canada adhere to the Treaty, it would help Japan in her relations with the United States of America. Sir Claude MacDonald adds that he is convinced that should Canada abstain from adherence the Japanese Government would be very disappointed and Japanese sentiment would be considerably rebuffed.

3. I am to add that a copy of this letter is being forwarded to His Royal Highness the Governor General of Canada for the confidential information of his Ministers.

I have etc.

H. W. JUST

872. *Governor General to Colonial Secretary*

SECRET DESPATCH

Sir, Ottawa, February 13, 1913

With reference to your secret despatch of the 1st February, enquiring whether my responsible advisers have yet come to a decision as regards the application to Canada of the Anglo-Japanese Commercial Treaty of 1911, I have the honour to transmit, herewith, a copy of a letter,[1] with enclosures, which I have received from the Prime Minister, showing the present position of affairs.

I have etc.

ARTHUR

[ENCLOSURE 1]

Prime Minister to Consul General of Japan

Sir, Ottawa, February 7, 1913

I have the honour to inform you that the Government are willing to submit to the Parliament of Canada an Act by which Canada shall adhere to the Treaty of Commerce and Navigation between the United Kingdom and Japan, signed at London on the 3rd April, 1911.

2. The adherence of Canada would be upon the conditions and with the proviso set forth in the enclosed draft Bill which is submitted for the consideration of the Imperial Japanese Government.

[1] Not printed.

3. The proviso that the Treaty shall not be deemed to repeal or affect any of the provisions of the Immigration Act follows the language which was approved by the Imperial Japanese Government in relation to the recent Treaty negotiated with the United States of America.

4. The Imperial Japanese Government are doubtless aware, as the fact is, that the Immigration Act applies to the immigration of aliens into Canada from all countries, including the British Empire itself, and makes no discrimination in favour of any country. It is not perceived therefore that your Government will have any objection to the embodiment in the enclosed draft Act of Parliament of the proviso which has already been agreed to in the case of the United States.

I have etc.

R. L. Borden

[SUB-ENCLOSURE]

Draft Bill

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. The Treaty of 3rd April, 1911, between His Majesty the King and His Majesty the Emperor of Japan, set forth in the schedule to this Act, is hereby sanctioned and declared to have the force of law in Canada, Provided that

(*a*) nothing in the said Treaty or in this Act shall be deemed to repeal or affect any of the provisions of the Immigration Act;

(*b*) Article 8 of the said Treaty shall be deemed not to apply to Canada.

[ENCLOSURE 2]

Prime Minister to Consul General of Japan

Confidential

My dear Mr. Nakamura, Ottawa, February 7, 1913

Referring to our very friendly and frank discussion respecting the possible adherence of Canada to the Treaty between the United Kingdom and Japan, signed at London on the 3rd April, 1911, I have the honour to direct your attention to the following considerations:

1. In the Treaty of 1911, negotiated between the United States and Japan, the proviso contained in Article 2 of the Treaty of 1894 was omitted. The United States Senate, however, gave its ratification to the new Treaty only upon the understanding that it should not be deemed to repeal or affect any of the provisions of the Act of Congress entitled "An Act to Regulate the Immigration of Aliens into the United States, approved February 20th, 1907." This understanding was embodied in the President's proclamation (C.D. 38), the first paragraph of which is as follows:

> And whereas, the advice and consent of the Senate of the United States to the ratification of the said Treaty was given with the understanding "that the Treaty shall not be deemed to repeal or affect any of the provisions of the Act of Congress entitled 'An Act to Regulate the Immigration of Aliens into the United States, approved February 20th, 1907'".

The Japanese Ambassador at Washington also signed and published a declaration providing for the maintenance of existing control by the Japanese Government of the emigration of labourers (C.D. 39), as follows:

> In proceeding this day to the signature of the Treaty of Commerce and Navigation between Japan and the United States, the undersigned, Japanese Ambassador in Washington, duly authorized by his Government, has the honour to declare that the Imperial Japanese Government are fully prepared to maintain with equal effectiveness the limitation and control which they have for the past three years exercised in regulation of the emigration of labourers to the United States.
>
> February 21st, 1911.
>
> Y. UCHIDA

2. The laws of Canada relating to immigration were amended and consolidated in 1910, by Chapter 27, assented to 4th May, 1910, and cited as "The Immigration Act." The provisions of this Act are of universal application and are used to restrict immigration not only from foreign countries but from countries within the British Empire. Both political parties assented thereto and there is no difference of opinion as to the necessity of these or similiar provisions, for reasons which have been frequently debated in Parliament and are thoroughly realized and supported by public opinion in Canada.

3. A proviso or stipulation that the Treaty shall not repeal our Immigration Act need not interfere with existing arrangements between the Japanese Government and the Government of Canada so long as the immigration of labourers, artisans, etc., from Japan is restricted within proper and reasonable limits.

4. It is to be noted that the Act of 1910 was passed during the currency of the Treaty of 1894, and it may be suggested that it was not in conflict with the Canadian Act of 1907 which brought that Treaty into force. If that were conceded it would naturally follow that the Treaty of 1911 would not repeal any provision of the Immigration Act of 1910. It is desirable, however, to avoid any future difference of opinion and for that purpose to arrive at a perfect understanding on this subject before Canada adheres to the Treaty.

5. There is a very strong public opinion in Canada that our own Government and Parliament must control immigration, not only from foreign countries but from other portions of the British Empire. The Imperial Japanese Government will doubtless realize the importance which must be attached to public opinion of this character, especially as the legislative provisions now in force create no discrimination either against or in favour of any country and are even applicable to our own Empire.

6. The Government would desire, in presenting the Treaty to Parliament, to make public an assurance from the Imperial Japanese Government that

the policy of that Government in regard to the restriction of Japanese emigration to Canada will be maintained, notwithstanding the provisions of the new Treaty. It is suggested that such understanding might be embodied in the following language:

> The Imperial Japanese Government are fully prepared to maintain, and intend to maintain with equal effectiveness the limitation and control which they have since 1908 exercised in the regulation of emigration from Japan to Canada. The understanding arrived at between the two Governments in 1908 on the subject of emigration will not be in any way affected by the adherence of Canada to the Treaty signed at Tokio on the third of April, 1911.

I have etc.

R. L. BORDEN

873. *Consul General of Japan to Prime Minister*

Sir, Ottawa, March 1, 1913

I have the honour to acknowledge the receipt of your note dated the 7th ult., stating that your Government are willing to submit to the Parliament of Canada an Act by which Canada shall adhere to the Treaty of Commerce and Navigation between Japan and Great Britain, signed at London on the 3rd of April, 1911, and enclosing for the consideration of the Imperial Government a draft Bill setting forth the conditions and proviso upon which the adherence of Canada will depend.

Having reported the matter at once to my Government, I am now in receipt of a reply stating that the Imperial Government have no objection to the proposed Bill and that they feel assured that the Immigration Act of Canada of 1910 being applicable, as stated in your note, to the immigration of aliens into the Dominion of Canada from all countries, including the British Empire itself, no discrimination will be made against Japanese subjects in this respect.

I have etc.

T. NAKAMURA

874. *Consul General of Japan to Prime Minister*

CONFIDENTIAL

My dear Mr. Borden, Ottawa, March 1, 1913

I have the honour to acknowledge the receipt of your note, marked "confidential," of the 7th ultimo, relative to the proposed adherence of Canada to the Treaty of Commerce and Navigation between Japan and Great Britain, signed at London on the 3rd April, 1911, and it gives me great pleasure to express to you, in the name of my Government, the high satisfaction which the decision of the Canadian Government to adhere to the Treaty above referred to has afforded them not only in the sense that it will draw still closer the friendly relations now existing between Canada and

Japan, but also in the belief that it will greatly strengthen the alliance between Japan and Great Britain.

The Imperial Government are also very happy to be able to state that they entirely concur in the views contained in your note under acknowledgement. With respect, however, to the assurance to be given to Canada by the Imperial Government regarding the carrying out of the understanding arrived at between our Governments about the restriction of Japanese immigration referred to in the last part of your note, the Imperial Government desire that it shall be embodied in the declaration in the following terms:

> The undersigned, His Imperial Japanese Majesty's Consul General at Ottawa, duly authorized by his Government, has the honour to declare that the Imperial Japanese Government are fully prepared to maintain and intend to maintain with equal effectiveness the limitation and control which they have since 1908 exercised in the regulation of emigration from Japan to Canada.

As this declaration will be published by both Governments, the Imperial Government are desirous to make it almost identical with that given, on the same question, to the American Government, in 1911, and as it differs in no wise, in substance, from that proposed in your note, I feel assured that it will meet with your approval.

I beg to add that I am instructed by my Government to request you to be good enough to favour me with your reply to the proposal above mentioned.

I have etc.

T. NAKAMURA

875. *Administrator to Colonial Secretary*

TELEGRAM Ottawa, April 12, 1913

The Act regarding Canada's adhesion to Japanese Treaty assented to 10th April. Consul General of Japan has given declaration of Imperial Japanese Government as to maintenance of existing control of Japanese emigration to Canada. Under Article 26 of Treaty notice of Canada's adhesion must be given by H. B. M. representative at Tokio before 5th May, 1913. The Act is to go into force on date to be fixed by proclamation of Governor in Council. It is proposed that Act shall come into force here on 1st May next; it is thought desirable that notice of adhesion shall be given in Tokio on same day. Should be glad to know if these suggestions meet with approval of His Majesty's Government and if Canadian Government can rely on notice of adhesion being given in Tokio on same day. Despatch follows enclosing certified copy of Act and copy of declaration by Japanese Consul General.

C. FITZPATRICK

876. *Colonial Secretary to Administrator*

TELEGRAM London, April 22, 1913

Your telegram of the 12th April. Following is text of telegram which Secretary of State for Foreign Affairs proposes to address to His Majesty's

Ambassador at Tokio regarding application of Anglo-Japanese Commercial Treaty to Canada: Begins. Please notify to Japan on May 1st next the accession of the Dominion of Canada in accordance with Article 26, subject to the following conditions which should be expressed in the notification: (1) nothing in the said Treaty shall be deemed to affect any of the provisions of the Immigration Act of Canada; (2) Article 8 of the said treaty shall be deemed not to apply to Canada; (3) it is understood that the Imperial Japanese Government are fully prepared to maintain and intend to maintain with equal effectiveness the limitation and control which they have since 1908 exercised in the regulation of emigration from Japan to Canada. [Ends.] Would be glad to learn as early as possible whether your Ministers concur in these terms.[1]

HARCOURT

THE NETHERLANDS: COMMERCIAL RELATIONS

877. *Colonial Secretary to Governor General*

DESPATCH 375

Downing Street, May 31, 1910

My Lord,

With reference to my telegram of this day's date, I have the honour to transmit to you, to be laid before your Ministers, the accompanying copy of a note from the Netherlands Minister, relative to the desire of his Government to conclude a commercial treaty with Canada on the basis of most favoured nation treatment.

I have etc.

CREWE

[ENCLOSURE]

Minister of the Netherlands in United Kingdom to Foreign Secretary

Londres, le 12 mai 1910

Monsieur le Baron,

D'après les instructions reçues, j'ai l'honneur de faire part à Votre Excellence que le Gouvernement de la Reine désirerait conclure avec le Canada un traité de commerce sur la base du traitement réciproque de la nation la plus favorisée. Les Pays-Bas obtiendraient ainsi la jouissance du tarif intermédiaire canadien et les faveurs dérivant du dernier traité entre le Canada et la France.

Nous faisons la proposition mentionnée ci-dessus avec toute confiance en vue de la libéralité toute exceptionnelle de nos tarifs tant dans la mère patrie que dans nos colonies, traitement qui forme un contraste frappant lorsqu'on le compare à l'accueil auquel les produits du Canada sont soumis dans d'autres pays.

[1] On April 24, 1913 the Administrator cabled an affirmative reply and the Ambassador's note was delivered to Baron Makino on May 1, 1913.

J'ai l'honneur de joindre à la présente copie d'une note explicative, rédigée par ordre de mon Gouvernement, qui fera apprécier clairement la modicité des droits d'entrée aux Pays-Bas et dans les colonies et la libéralité de notre système commercial.

Si des renseignements complémentaires semblaient désirables, je m'empresserais de les fournir.

Il se pourrait que le Gouvernement du Canada fût d'avis qu'il n'a pas d'intérêt momentané en vue de la libéralité exceptionnelle de notre tarif douanier, à conclure un traité de commerce avec les Pays-Bas.

J'ai, en conséquence, l'honneur de faire part que l'introduction d'un tarif maximal et minimal forme l'objet des délibérations de mon Gouvernement et que le Canada aurait alors un intérêt évident à conclure un traité de commerce avec les Pays-Bas.

La navigation sous pavillon néerlandais vers le Canada prend de l'extension et mon Gouvernement désirerait en conséquence faire cesser l'état de choses préjudiciable aux ports et au pavillon néerlandais, existant actuellement en ce qui concerne le Canada. Peut-être le Gouvernement du Canada voudrait-il bien consentir à nous accorder, en attendant la conclusion d'un arrangement définitif et en vertu d'un arrangement provisoire les bénéfices du tarif intermédiaire et à nos ports le traitement de la nation la plus favorisée.

J'ai, en conséquence, l'honneur de faire part à Votre Excellence, d'après les instructions reçues, que le Gouvernement de la Reine désire conclure avec le Canada un traité aussi large que possible sur le pied du traitement de la nation la plus favorisée et de faire remarquer les dommages auxquels la navigation néerlandaise est soumise par suite du traitement différentiel auquel sont assujetties au Canada les marchandises provenant d'un port néerlandais, traitement qui leur est infligé malgré l'accueil favorable que les produits du Canada rencontrent aux Pays-Bas et dans nos colonies.

J'ai aussi l'honneur de proposer à Votre Excellence la conclusion d'un arrangement provisoire qui pourrait intervenir au moyen d'un échange de notes et qui mettrait fin aux entraves que subissent actuellement les rapports commerciaux entre les Pays-Bas et le Canada.

Mon Gouvernement serait doublement heureux si les négociations à cet effet qu'il considère comme importantes, pouvaient rencontrer une solution favorable dans un délai aussi rapproché que possible.

Veuillez agréer etc.

GERICKE

878. *Order in Council*

P.C. 1206 June 7, 1910

On a memorandum, dated 6th June, 1910, from the Minister of Finance, stating, with reference to the trade relations between the Netherlands and Canada, that the products and manufactures of the Netherlands have been and now are subject to the rates of customs duties set forth in the general tariff:

The Minister observes that the customs tariff of the Netherlands is exceedingly low, and all that Canada could reasonably desire. Articles of Canadian export, such as wheat, barley, oats, flour, bran, preparations of table foods, flax seed, cattle and horses, agricultural machinery and implements and lumber are free. Many other articles are also free. Bacon and hams are subject to a customs duty of nineteen cents per 100 pounds, while the tariff on such other articles (including apples green and dried, of which latter there is a growing export to the Netherlands from Canada) as are subject to customs duties is for the most part five per centum. The chief exceptions to the five per centum rate are canned meats, canned fish, canned vegetables and canned fruits, which are subject to a customs duty of about four and one-half cents per pound.

The Minister further observes that inquiry has been made from the Government on behalf of the Netherlands as to the conditions under which the intermediate tariff might be made to apply to the products of that country. It was suggested in such enquiry that, in view of the low tariff treatment accorded by the Netherlands to the products of Canada, it would appear that the intermediate tariff might be made to apply to articles imported from the Netherlands.

The Minister is of opinion that action may properly be taken by the Governor General in Council to grant to the Netherlands in part the rates of the intermediate tariff.

The Minister, therefore, recommends that, in consideration of the benefits hereinbefore referred to accorded by the Netherlands to the products of Canada, the Governor General in Council, by Order in Council, extend, under the provisions of the Customs Tariff, 1907, the benefit of the intermediate tariff to the goods enumerated in the schedule hereto,[1] the produce or manufacture of the Netherlands, provided such goods are imported direct from the Netherlands or from a British country.

The Minister further recommends that, in order to receive the advantages aforesaid, such goods shall only be deemed to be imported direct when conveyed without transhipment from a port of the Netherlands or from a port of a British country into a sea or river port of Canada.

The Minister also recommends that the Order in Council founded hereon be published in an issue of *The Canada Gazette,* to be published on the tenth day of June, 1910.

All which is respectfully submitted for approval.

PORTUGAL: COMMERCIAL RELATIONS

879. *Governor General to Colonial Secretary*

PARAPHRASE OF TELEGRAM Ottawa, December 25, 1909

SECRET. Reports have been received here that His Majesty's Government are negotiating commercial treaty with Portugal which is to give favourable

[1] For P.C. 1207 and schedule see *The Canada Gazette (Extra),* June 10, 1910.

treatment to Newfoundland fish. If above is correct my Government hope that Canada will be allowed opportunity to arrange for admission of Canadian fish on similar terms.

GREY

880. *Colonial Secretary to Governor General*

DESPATCH 17

My Lord, Downing Street, January 8, 1910

I have the honour to acknowledge the receipt of Your Excellency's telegram of the 26th ultimo[1] relative to the proposed negotiation of a commercial treaty with Portugal.

2. I have to request you to inform your Ministers that in the event of tariff negotiations being entered upon between the United Kingdom and Portugal an endeavour will be made by His Majesty's Government to obtain the same favourable treatment for Canadian fish as is accorded to Newfoundland fish.

I have etc.

CREWE

881. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH

My Lord, Downing Street, January 4, 1911

I have the honour to request Your Excellency to inform your Ministers that His Majesty's Government are considering the question of commercial negotiations with the Government of Portugal with a view to the conclusion of a commercial treaty.

2. I shall be glad to learn at the earliest convenience of your Ministers whether there are any special concessions which they desire in the interests of Canada to obtain from the Portuguese Government.

3. In this connection I would refer you to the correspondence terminating with my predecessor's despatch No. 17 of the 8th of January 1910.

I have etc.

L. HARCOURT

882. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, July 8, 1913

With reference to my confidential despatch of January 4th, 1911, please inform your Ministers that H. M. Government is about to institute negotiations with the Portuguese Government for a commercial treaty and that we will be glad to learn whether there are any matters of special interest to Canada or whether the position is as stated in previous correspondence.

[1] Presumably Document 879.

CONFIDENTIAL. H. M. Government will endeavour to obtain the insertion of an article enabling Dominions and Colonies to adhere but are not certain that they will obtain it. Please telegraph reply.[1]

HARCOURT

883. *Colonial Secretary to Governor General*

TELEGRAM London, January 2, 1914

In answer to your telegram of 19th [18th] December His Majesty's Government will endeavour to obtain insertion of usual colonial clauses but are not certain whether these can be secured. As regards duty on cod and other fish Government of Newfoundland have offered in return for minimum tariff reduction of duty on port and madeira from $1.80 to $1.00 per gallon. Would be glad to learn whether your Ministers are prepared if necessary to make similar concession or if not whether they are disposed to offer to Government of Portugal any corresponding advantage.

HARCOURT

884. *Order in Council*

P.C. 3025 December 7, 1916

The Committee of the Privy Council have had before them a report, dated 2nd December, 1916, from Sir George E. Foster, for the Secretary of State for External Affairs, to whom was referred a despatch from the Right Honourable the Secretary of State for the Colonies, dated 21st June, 1916, relative to the ratification of the Anglo-Portuguese Commercial Treaty.

The Minister observes that Article 21 provides that the provisions of the treaty shall extend to any of the Dominions, Colonies, Possessions or Protectorates of either of the contracting parties, if notice of adherence thereto be given before the expiration of one year from the date of the exchange of the ratification of the said treaty.

The Minister therefore, with the concurrence of the Minister of Trade and Commerce, recommends that notice of adhesion upon the part of Canada be duly given so that Canada may obtain the benefit of the conventional tariff of Portugal in return for which Canada will grant to Portugal the intermediate tariff upon the articles mentioned in the Franco-Canadian Convention as provided under Section (c) of Article 4 of the Canadian Customs Tariff, 1907.

The Committee, on the recommendation of the Right Honourable the Secretary of State for External Affairs, advise that Your Excellency may be pleased to forward a copy hereof to the Right Honourable the Secretary of State for the Colonies.

All of which is respectfully submitted for approval.

[1] In a reply dated December 18, 1913 the Governor General intimated that the Canadian Government desired (a) a clause under which Canada might adhere to the treaty and withdraw from it after due notice, and (b) application of the Portuguese conventional tariff for cod and other fish exported from Canada, since Canada's chief competitor (Norway) already enjoyed the Portuguese conventional tariff.

885. *Colonial Secretary to Governor General*

DESPATCH 291
My Lord Duke, Downing Street, June 5, 1917

I have the honour to acknowledge the receipt of Your Excellency's despatch No. 734 of the 13th December forwarding copy of an approved Minute of the Privy Council of Canada relative to the adhesion of Canada to the Commercial Treaty with Portugal of the 12th August 1914.

2. When your despatch reached me, a question had arisen as to whether the Portuguese Government understood that the application of this treaty to His Majesty's Dominions, Colonies, etc. under Article 21 did not involve the extension to such countries of Article 6,[1] which refers only to the United Kingdom while the rest of the treaty refers to His Majesty's territories generally, the position being precisely the same as under Article 8 of the Treaty with Japan of the 3rd April 1911 as to which it will be remembered that an agreement was reached with the Japanese Government that it would not apply to any part of the Empire which acceded to the treaty under Article 26.

3. His Majesty's Minister at Lisbon was accordingly instructed to inform the Portuguese Government that in order to avoid any possible misunderstanding His Majesty's Government desired to place on record that in their view inasmuch as Article 6 refers only to the United Kingdom and not like the other articles to His Majesty's territories generally, its application is not involved by the application of the treaty to any of His Majesty's Dominions, Colonies or Protectorates under Article 21. Pending a reply to this communication it was deemed desirable to suspend the notification of the accession of Canada to the treaty. No reply had however been received by the beginning of May and as the time for making such notification would expire on the 19th May, it was decided to instruct His Majesty's Minister to give the formal notice of adhesion to the treaty and to inform them at the same time that this was done on the assumption that the Portuguese Government concurred in the view of His Majesty's Government that Article 6 applied to the United Kingdom only. Instructions in this sense were despatched to His Majesty's Minister by telegraph on the 15th May.

I have etc.

WALTER H. LONG

886. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, August 4, 1917

With reference to your despatch June 5th, No. 291, Canada's adhesion to Commercial Treaty with Portugal, August 12th, 1914, my Ministers represent

[1] Article 6 enabled the British Government to prohibit the import or sale of any wine bearing the description "Port" or "Madeira" which was not the produce of Portugal or the Island of Madeira respectively.

that as it does not definitely appear whether notification of such adhesion was actually made and accepted by Portugal with understanding that Article 6 applied to United Kingdom only, they enquire whether notification was so accepted, and if it is now to be considered that Canada is bound by treaty.

DEVONSHIRE

887. *Colonial Secretary to Governor General*

TELEGRAM London, August 14, 1917

Your telegram 4th August. Minister at Lisbon gave formal notice of adhesion Canada May 16th in terms of instructions embodied in my despatch 5th June. As Government of Portugal has not after so long lapse of time repudiated or disputed interpretation which H. M. Government place on treaty and as formal notice of adhesion Canada was given within proper time Secretary of State for Foreign Affairs considers justifiable assume that Government of Portugal agree with British interpretation. On this hypothesis Secretary of State for Foreign Affairs is of opinion treaty binding on your Government.

LONG

888. *Colonial Secretary to Governor General*

TELEGRAM London, August 30, 1917

My telegram 14th August. Secretary of State for Foreign Affairs has since communicated to me note received from Government of Portugal contending that Dominions and Colonies acceding to treaty should pass legislation in terms of Article 6 of treaty. Despatch follows by mail.

LONG

889. *Colonial Secretary to Governor General*

DESPATCH 461

My Lord Duke, Downing Street, September 3, 1917

In confirmation of my telegrams of the 14th August and the 30th August, I have the honour to transmit to Your Excellency to be laid before your Ministers copies of letters from the Foreign Office dated the 10th and 22nd August[1] respectively relative to the Commercial Treaty with Portugal.

2. It will be observed that the Portuguese Government now contest the view of His Majesty's Government that accession to the Treaty by a Dominion or Colony does not entail any liability to pass legislation in the terms of Article 6 and that the Secretary of State for Foreign Affairs feels that it would be useless to press them to accept that view. I shall be glad to receive the observations of your Ministers as to the method of dealing with the difficulty suggested in the letter from the Foreign Office of the 22nd August. I enclose for convenience of reference copies of the Acts (5 Geo. V, C. 1 and 6-7 Geo. V, C. 39) by which effect has been given to Article VI of the Treaty in the United Kingdom.

[1] Not printed.

3. The only other self-governing Dominion which has acceded to the Treaty is Newfoundland and I am in communication with the Governor. A decision with regard to the Colonies and Protectorates which have acceded will be deferred pending the receipt of the views of your Government and those of the Government of Newfoundland.

I have etc.

WALTER H. LONG

890. *Order in Council*

P.C. 3089 November 2, 1917

The Committee of the Privy Council have had before them a report, dated 27th October, 1917, from the Minister of Trade and Commerce, submitting that in giving notice of the adhesion of Canada to the Treaty of Commerce and Navigation between the United Kingdom and Portugal, signed at Lisbon, August 12th, 1914, the Government of Portugal was informed by the British Government that such adhesion was given on the assumption that the Portuguese Government concurred in the view of His Britannic Majesty's Government that Article VI of the Treaty applied to the United Kingdom only.

It now appears that the Portuguese Minister of Foreign Affairs disagrees from that view and maintains that the adhesion of Canada to the Anglo-Portuguese Commercial Treaty of 1914 carries with it the obligation to accept and validate by legislation Article VI of the said Treaty.

Under these circumstances and considering the engagements entered into in other treaties binding on Canada which might be affected by Article VI, the Minister recommends that the Portuguese Government be informed that Canada withdraws its adhesion to the Anglo-Portuguese Commercial Treaty of 1914.[1]

The Committee, concurring, recommend that Your Excellency may be pleased to inform the Right Honourable the Secretary of State for the Colonies in the sense hereof accordingly.

All of which is respectfully submitted for approval.

UNITED STATES: COMMERCIAL RELATIONS

891. *Ambassador in United States to Foreign Secretary*

CONFIDENTIAL DESPATCH 245

Sir, Washington, November 18, 1909

I have the honour to inform you that as soon as the President of the United States returned to Washington from his long Western tour, I sought

[1] On January 1, 1918 H.M. Government withdrew the notification of adhesion to the treaty of all Dominions and Colonies except Newfoundland, which undertook to enact legislation in the sense of Article VI.

an interview with him and raised in the course of our conversation the subject of the new United States Tariff Act[1] and the power vested in the Executive of determining the application to imports from foreign countries of the maximum or minimum scale of duties.

Mr. Taft talked freely on the subject, which however he did not seem to have studied as yet in its details. He thought the clause in the Tariff Act as passed much better than that in the original Payne Bill and dwelt upon the width of the discretion which the terms of the Tariff Act entrusted to him, observing that the words "unduly discriminate" implied that there might be a discrimination which was not undue, and that the question of applying the maximum scale would therefore need to be in each instance examined in the light of the circumstances of the case, or, as he expressed it "of the environment". It would accordingly have to be considered whether in a given case there appeared in a foreign tariff either the indication of an intention unfriendly to the trade of the United States, or anything in fact injurious or unfair to that trade as compared with trade coming from other countries and it was not merely the scale of duties imposed by a foreign country that might have to be regarded but the way in which its laws regarding imports were worked. He was himself desirous of avoiding tariff conflicts, if possible, and taking the most broad and liberal view compatible with the general intent of the provision of the Tariff Act which related to the application of the maximum and minimum scales. There were two countries with regard to which he already saw that difficulties might arise but I gathered that Canada was not one of these. When I referred to the question of a commercial treaty between Canada and any foreign country which might grant reciprocal tariff advantages to the two contracting parties, he was evidently not prepared to give a definite and positive answer, and as he could hardly be expected to pledge himself before receiving the opinion of the Tariff Commission recently appointed to advise him, I forebore to press him on the subject. I need hardly say that he recognized that tariff preferences given by Canada to the Mother Country or to another British Colony did not constitute cases of "undue discrimination", but of this I informed you in my despatch of the 10th November, No. 123. On that score therefore I anticipate no difficulty. It would not be safe to assume that tariff benefits granted by Canada in a commercial treaty either to France or to any other foreign country might not be ultimately deemed to amount to "undue discrimination" against the United States. The President's aim and wish will certainly be to take a liberal view of any question which may arise between Canada and the United States. He has however to consider not only the attitude which powerful interests in the United States may assume but also the effect upon the commercial relations with certain European countries which a particular course

[1] The Payne-Aldrich Tariff, adopted on August 5, 1909, provided that the maximum rate of duties would be levied against the imports of any country which discriminated unduly against the United States.

taken as regards Canada might involve. It is therefore not to be expected that at this comparatively early stage (for his action is not to be taken before March) a final decision should have been reached.

I have etc.

JAMES BRYCE

892. *Memorandum by Minister of Finance*[1]

Ottawa, December 1, 1909

CANADIAN AND AMERICAN TRADE RELATIONS

The Minister deems it expedient to observe at the beginning that it is the well-understood policy of the Canadian Government not to take the initiative in further negotiations with the United States Government concerning the tariff relations between the two countries. But as it appears that the subject has already been discussed in informal confidential conversations between President Taft and His Majesty's Ambassador at Washington, Right Honourable James Bryce, in connection with the action which the President may deem it his duty to take under the provisions of the maximum tariff section of the new United States Tariff Act, it is desirable that the Canadian Government should avail themselves of the opportunity kindly afforded by Mr. Bryce to acquaint him with the Canadian view of the situation.

The Minister notes the view already expressed by Mr. Taft to Mr. Bryce that in reaching a conclusion as to what action should be taken under the maximum tariff clause, "it would have to be considered whether in a given case there appeared in a foreign tariff either the indication of an intention unfriendly to the trade of the United States or anything in fact injurious or unfair to that trade as compared with trade coming from other countries". It is submitted on behalf of the Canadian Government that the whole course of events for many years in connection with the question of commercial relations between the United States and Canada affords abundant evidence that there has been no such unfriendly disposition on the part of Canada. The desire for friendly commercial relations has repeatedly been manifested by the Canadian authorities. One of the first steps taken by the present administration on assuming office in the year 1896 was to send two of its Ministers to Washington, on an informal mission, for the purpose of ascertaining the condition of opinion amongst the leading public men of the Republic respecting a commercial treaty with Canada. While no official step was taken at the time, the inquiry made by these Ministers was sufficient to satisfy them that no proposals looking towards a liberal reciprocity treaty between the two countries would be entertained by the United States. The policy to which the United States authorities had committed themselves was unquestionably one of trade restriction. If better trade relations were not established at that time, it was clearly because there was no disposition whatever on the part of the United States towards the making of a treaty.

[1] Sent to Ambassador James Bryce on December 7, 1909.

When, at a later period, the Joint High Commission met, first at Quebec and afterwards at Washington, trade questions were taken up and received much consideration. At one stage of the proceedings there seemed a prospect of an agreement being reached. But after some progress had been made the United States Commissioners felt that concessions which they were disposed to recommend would not be favourably received by the Senate, and consequently they had to be withdrawn. Again a failure to come to an agreement was due to the manifest unwillingness of the United States authorities to make any substantial concessions in favour of imports from Canada.

It appears that the effect of the Franco-Canadian Convention of 1907 and the Supplementary Convention of 1909 is being treated in some quarters as a reason why the United States maximum tariff should be imposed against Canada. The Convention of 1907 was approved in due course by the Parliament of Canada. Some difficulties arose in the French Chambers, in consequence of which a Supplementary Convention was entered into in 1909. The convention in this amended form has been approved by the French Chambers, and now awaits approval by the Parliament of Canada.[1] The Canadian Parliament, having readily approved of the main Convention, could hardly find good reasons for rejecting the amendment which makes a small and, from the Canadian point of view, unimportant modification of the original Treaty.

In some discussions of the subject in the press of the United States it appears to be assumed that the French Treaties above referred to have introduced some new principle. Such, however, is not the case. These conventions have not yet taken effect. But there is at present in operation a Franco-Canadian Treaty which in principle is open to all the objections that might be raised to the new conventions. The treaty referred to was signed in 1893. It granted certain tariff concessions to French products entering Canada and also secured in return tariff concessions on certain Canadian products entering France. The treaty is not a very comprehensive one, but, as already observed, it is in principle the same as the latter conventions. The Treaty of 1893 gave tariff concessions to France which it did not grant to the United States; yet the treaty was never regarded as a measure unfriendly to the United States. It was simply a case of the granting of favour for favour. The new conventions are on substantially the same lines, though they cover more ground. They provide for the granting by Canada of tariff concessions to France in return for what are deemed equivalent concessions to be granted by France to Canada. United States authorities of recognized standing have laid down the rule that a concession granted by one country to another in return for similar or equivalent concessions cannot be deemed a discrimination against a third country.

It is submitted that the Franco-Canadian Treaty of 1893, now in operation, and the new treaties that have been negotiated with France but have not yet

[1] The Act approving the Supplementary Convention received Royal Assent on December 3, 1909.

taken effect, come entirely within the class of arrangements which United States public policy has recognized as non-discriminating.

The Minister further observes that the arrangement which Canada has made with the French Republic is substantially similar to the arrangements which the United States Government have made with a number of countries. The United States, within the last few years, entered into commercial treaties with France, Italy, Germany and Cuba. By these treaties the United States granted tariff concessions to these countries which were not granted to Canada or to Great Britain.

Great Britain has a favoured nation treaty with the United States. Importers of British goods into the United States claimed that by virtue of that treaty the tariff advantages granted to certain countries as already mentioned should be granted also to the products of Great Britain. The United States Treasury Board decided as follows:

> Merchandise the growth, product or manufacture of Great Britain imported into the United States may not obtain the benefit of the rates of duty imposed on like goods from France, Germany and Italy by virtue of the favoured nation treaty between the United States and Great Britain, July 3rd, 1815, coupled with the commercial agreements made between the United States and the other countries named.

The point may be raised by the United States authorities that under the operation of the French Treaty Canada will grant the privileges therein contained not only to France but to other nations, which will receive them not by virtue of any special treaty concerning Canada but by virtue of old most favoured nation treaties. Perhaps an objection of this kind is harder to meet than the objection concerning trade with France itself. We must point out, however, that the extension of these privileges to most favoured nation countries arises from conditions which are, for the time being, beyond the control of the Canadian authorities. In recent years all commercial treaties affecting Canada are made with the concurrence and co-operation of the Canadian Government. But in former years the practice was different. Treaties were made by Great Britain containing the most favoured nation provision without particular reference to the colonies, and the colonies were not consulted concerning them. Many of these treaties are very old. It became apparent when the Franco-Canadian Treaty of 1893 was negotiated that the provisions of the treaty would have to be extended to the countries which were entitled to most favoured nation conditions by virtue of these old treaties. Whatever may be the technical effect of these treaties upon the situation, it must be manifest that conventions made long years ago, before the Dominion of Canada was constituted, and before Canada played any special part in the negotiation of her treaties, cannot be regarded as evidence of any unfriendly disposition of Canada.

In the case of such treaties no specific concession is granted in return. But it is to be observed that Canada receives by virtue of these treaties the assurance of most favoured nation treatment from the countries in question, which, though it may give Canada no specific advantage, guards against the granting of advantages to any other country.

In the foregoing observations the Minister has confined himself entirely to the question of the alleged undue discrimination against the United States by the Franco-Canadian Treaties.

There is another view of the subject which is worthy of note, and which the United States authorities may reasonably be expected to consider. The conflict of tariffs between the United States and Canada which would become inevitable if the United States tariff were imposed on Canadian products would be deplorable from every point of view. But it is safe to say that while such a state of affairs would be inconvenient and embarrassing to Canada, it would be much more damaging to the United States. A glance at the trade returns of the past two years will make this apparent:

TRADE BETWEEN UNITED STATES AND CANADA

	Canada's exports to United States (Produce of Canada)	Canada's imports from United States (Home consumption)
Fiscal year ended March 31st, 1908	$90,814,871	$210,652,825
Fiscal year ended March 31st, 1909	85,334,806	180,026,550

The last fiscal year mentioned was one in which trade was restricted through the financial stringency which had occurred. The figures for the year 1908 more correctly represent the ordinary trade relations between the two countries.

Thus, for every dollar of Canada's exports which would be penalized in the United States by such a conflict, more than two dollars of American exports could be penalized in Canada.

Canada also has a maximum clause in its Tariff Act which provides what is commonly known as the surtax. Section 7 of the Customs Tariff, 1907, reads as follows:

> 7. Articles which are the produce or manufacture of any foreign country which treats imports from Canada less favourably than those from other countries may be subject to a surtax over and above the duties specified in Schedule A to this Act, such surtax in every case to be one-third of the duty specified in the general tariff in the said schedule.
>
> (2) Any question arising as to any foreign country or goods coming under the operation of this section shall be decided by the Minister of Customs, whose decision shall be final.
>
> (3) The Governor in Council may make regulations for carrying out the purposes of this section, and may, by Order in Council, from time to time suspend the surtax from application to the goods of any country.

Notwithstanding the tariff concessions granted by the United States to various foreign countries as above mentioned, and not granted to Great Britain or Canada, Canada has not deemed it proper to apply this surtax

clause to American imports. But if the United States should enforce the provisions of its maximum tariff against Canada, it would be difficult for any Canadian Government to resist the demand that would arise for imposing upon United States products the additional duty provided in the clause cited.

This surtax clause was invoked when Germany pursued what Canada regarded as a hostile tariff policy. The power of Canada, though a country of small population, to protect her commercial interests against foreign tariff hostility is well illustrated by what has happened in the case of Germany. Germany having adopted what Canada regarded as a hostile tariff policy, the provisions of this surtax clause were invoked and the additional duty was imposed on German imports, with the result that the exports of Germany to Canada have been very largely curtailed. Germany is now recognizing the unwisdom of the steps which obliged Canada to take this course and is asking Canada to cease the tariff strife. There is no reason to doubt that the instrument which enabled Canada to protect her interests against hostile German action could be effectively used in the case of hostile tariff legislation by any other foreign nation.

Another consideration which should have weight with the United States authorities is that the adoption of the maximum tariff against Canada would destroy certain important tariff reductions which the United States Congress adopted in deference to strong public opinion. Notable cases of this kind may be found in the articles of lumber and hides. The duty on lumber was reduced from $2 per thousand to $1.25 per thousand. But if in addition to the $1.25 per thousand there were imposed a duty of 25 per cent *ad valorem,* the result would be that the duty on lumber, instead of being reduced from $2 per thousand to $1.25 per thousand, would be increased from $2 to about $6.25 per thousand.

Certain classes of hides which were formerly dutiable at 15 per cent, have been placed on the free list in the United States Tariff Act. But if the maximum tariff be imposed, instead of a reduction of the duty on hides, these articles would be increased from 15 per cent to 25 per cent *ad valorem.*

Thus, while Canadian trade in these articles would undoubtedly be embarrassed by the adoption of the maximum tariff, the United States consumers would find themselves subject to very heavy burdens upon articles on which, in deference to the public opinion of the country, Congress has just granted reductions.

It may be interesting to point out to the President that the tariff of Canada, far from being adverse to the general trade of the United States, is more favourable to it than to the trade of almost any other country. The Canadian free list is a very liberal one, and particularly so in relation to classes of goods which are largely produced in the United States. As a consequence, an examination of the returns will show that the duty on United States products of all kinds, including both dutiable and free list, imported into Canada in the fiscal year ended 31st March, 1909, was 12.5 per cent, the very lowest rate on imports from any country and materially lower than the rate on British imports, which, even under the preferential tariff, paid 19 per cent.

Assuming the present Canadian tariff to be modified only by the French Treaty, it is reasonably certain that the rate of duty on imports from the United States will be much lower than the rate of duty on imports from France under the new treaty.

The Minister is of opinion that the foundation of the criticisms of those who in the United States claim that the maximum tariff should be imposed against Canada is not to be found in the concessions granted to France in the Canadian market. It is hardly probable that United States producers are seriously alarmed by fear of the competition of French products with their own in the markets of Canada. What is more likely is that the agitation springs from those who are disturbed by concessions which Canada has been able to obtain in the markets of France and which, for the present at all events, are not to be extended to the United States. In one class of manufactures particularly, the favour which Canada is to receive in the French market, or, to put the matter more fairly, the privilege that she has won in the French market by the granting of equivalent privileges, provides an opportunity for the development of Canadian manufactures which is naturally viewed with anxiety by the United States manufacturers in similar lines. The articles in question are agricultural implements. These are produced very largely both in the United States and in Canada. Soon after the publication of the new Franco-Canadian Convention the United States Department of Commerce and Labour issued a confidential bulletin to the makers of agricultural implements in the United States, based on a report from a special agent in Paris, pointing out the advantages which Canadian manufacturers of such implements were to receive. One of the large United States concerns engaged in that line of manufacturing—the International Harvester Company —has established a factory in Hamilton, Canada, in which it is able to produce goods for either the Canadian market or for export. This company would naturally prefer to do its export trade from the United States. But through its Canadian branch it would be able to share in the market which Canada is to secure in France. But other American manufacturers of such goods, not having established branches in Canada, would be obliged to send their goods into France under less favourable rates of duty than are to be accorded to the products of Canada. That some of the United States manufacturers should be displeased at the success of Canada in obtaining this advantage in the French market is quite natural. But it is submitted that inasmuch as such advantage is only obtained by Canada in return for equivalent concessions granted to France, the concession to Canada cannot justly be made a ground for any adverse action by the United States authorities.

W. S. FIELDING

893. *Ambassador in United States to Governor General*

DESPATCH 132
Washington, December 8, 1909

My Lord,

The passage in the President's Message to Congress enclosed in my despatch No. 131 of to-day's date which concerns the application of the

"Maximum" scale of duties under the Tariff Act of August 5, 1909 (copy of which is enclosed for convenience of reference) is of sufficient importance to bring to the especial notice of Your Lordship for the information of the Dominion Government.

While the friendly and conciliatory tone of this passage is most satisfactory and entirely bears out the views and intentions conveyed to me by the President in several interviews I have had with him, the last of which is reported in my despatch to the Foreign Office, No. 126 of November 17th, copy of which was sent to Your Excellency, and while certain expressions in it are of great importance as official declarations of policy, it must be remembered that one principal object of this Message appears to be the restoration of confidence in business circles. Once this desired effect has been produced and the Message has passed into history, a reference to these quite general expressions might prove not sufficient to exclude a menace of the use of the maximum scale in regard to any specific matter in which the United States Government might then think its interest involved. This Embassy is keeping in touch with the proceedings of the Tariff Board by whose advice the President will be influenced and I am informed that they are investigating the practical effect on United States trade with Canada and France of the French Treaty recently ratified. Although the Embassy has, conformably to what it understands to be the wish of Your Excellency's Government, refrained from addressing representations on the subject, opportunities have presented themselves and have been used for bringing informally to the notice of this Tariff Board considerations why this Treaty should not be deemed "unduly discriminatory" against the United States. Such are the traditional interpretations by the United States of most favoured nation treatment, the Cuban Treaty, the lower average of *ad valorem* rates on products of the United States than those of France, etc. Any further information of this character that the Dominion Government could supply to the Embassy might, should a proper occasion present itself, be used with effect. The present attitude of the Board is that they will advise (on such grounds as those mentioned), the President not to take exception to the Treaty unless they should discover more practical injurious effects to United States trade than they so far have done. They are however very anxious that the task of the Executive in so interpreting the Tariff Act should not be rendered more difficult by the calling of public attention at present to the proposals of Canadian provincial legislation for the further prohibition of the export of pulp. They seemed to think this a point of importance.

In other respects, I gather, relations with Canada under the new tariff give them no anxiety at present.

I also enclose copies of bills introduced in the House to facilitate the importation of Canadian pulp. These, I am informed, have little or no prospect of favourable consideration.

I have etc.

JAMES BRYCE

894. *Ambassador in United States to Prime Minister*

PRIVATE AND CONFIDENTIAL
Washington, February 3, 1910

My dear Sir Wilfrid,

One of the Tariff Board recently appointed here who are considering the application of the U.S. Tariff Act to Canada asked me to let him talk to me on the subject. We here have, as you know, carefully abstained from approaching the U.S. Government on the subject, but when they asked to see me, this opportunity of hearing how their minds are moving was one to be glad of. I have embodied in the letter to the Governor General, a copy of which I enclose herewith for your perusal, the substance of our talk.

The Tariff Board desire to avoid a tariff war with Canada, and so does the President. They, and he, are however subject to some pressure. It is for you to consider whether in the event of the U.S. asking formally the questions which they indicated a desire to put to me, but which they did not put in such a way as to require an answer at present, you would think it desirable to indicate your views.

I am etc.

JAMES BRYCE

[ENCLOSURE]

Ambassador in United States to Governor General

PRIVATE AND CONFIDENTIAL
Washington, February 3, 1910

My dear Governor General,

I had yesterday a long conversation with one of the members of the United States Tariff Board who had asked to be allowed to discuss privately and unofficially with me the question of the application to Canada of the United States minimum scale of import duties under the recent Tariff Act. Mr. Young (our Commercial Secretary) was present. The Tariff Board as you are aware is a body of three Commissioners which has been created specially for the purpose of advising the President of the United States upon the subject of the tariff generally and particularly the application of the United States maximum and minimum scales to other countries, the President being authorised to apply the minimum scales to any country which does not "unduly discriminate" against the products of the United States.

It would appear that the Tariff Board feel themselves in a position of much difficulty as regards Canada. They recognise that the United States would suffer much more than Canada from a tariff war and are desirous to avoid anything of the sort. On the other hand they have two difficulties to face. One is the fact that if they give the minimum scale to Canada, they will thereby admit that the preference, which by the recent treaty she has given to France in certain articles, does not constitute "undue discrimination" and they fear that this admission will be used against them hereafter. It is already being used as an argument in the tariff discussion they are having with France regarding her tariff relations with them. I pointed out that the word "unduly"

left a very wide margin for discretion and in fact that "undue discrimination" must mean something quite different from and going beyond mere "discrimination" pure and simple and that discrimination would not be "undue" unless either it were prompted by a hostile motive or in fact inflicted substantial injury on the United States, and that neither was the case as regards the tariff position of Canada and her treaty with France. He did not deny this but repeated that the precedent which would be set by overlooking the French Treaty as a case of discrimination was embarrassing for the President and the United States. I suggested to him that he had much better settle with France first so as to prevent her from using the case of Canada as an argument. He referred to the injury to the export of American agricultural machinery to France which would result from the provisions of the French Treaty favourable to Canada, but admitted that although that was a point he might use against France, he could not use it against Canada. He then enquired whether it would be likely that Canada would give the United States a sort of most favoured nation treatment, *id est,* would give to the United States the reductions made by the French Treaty in return for the minimum scale. To this it was replied that the rates of the French Treaty were a special bargain with France, being lower in some cases than the preferential rates that had been originally conceded to the United Kingdom, and that the United States was not in fact suffering in their Canadian trade by French competition in those articles. He admitted this, but asked whether the Dominion Government could by an Order in Council give the United States the French rates, that Government having more latitude than Congress had left to the President. He did not suggest a treaty, because under the new Tariff Act there is no room for that. I reminded him that however that might be,—and I could not say offhand what were the powers of the Dominion Government—the Dominion Government was in much closer relations with its legislature than was the United States Executive with Congress, and neither would nor could do anything likely to incur legislative disapproval. I warned him that Canadian feeling would strongly resent any action on the part of the United States of a commercially menacing nature—in fact that Canadian feeling would be less adverse to a tariff conflict than would public opinion in the United States. He was evidently aware that this is the case, and realised the dangers of doing anything to excite hostile opinion in Canada.

The other difficulty with which the Tariff Board was confronted was the question of the export of pulp. The American paper makers believed that there was a strong disposition in Canada, fostered by the paper makers there, to capture the paper trade, placing disadvantages in the way of the United States manufacturers by restricting the export of pulp. Already the conduct of the Ontario Government in imposing an export duty upon the pulp from Crown lands[1] had alarmed the American paper makers, and the reported intention of Quebec to follow the example of Ontario was further disturbing them. I reminded him that the Dominion Government was not responsible for the action of Ontario, and told him the Dominion Government had

[1] Ontario had imposed export duties since 1902; Quebec followed suit in 1910.

refused, although much pressed, to impose a general export duty upon pulp; that it does not wish to injure the American paper mills, which it seriously could by imposing such a duty; and that it was animated by no hostile feeling towards the United States. He fully admitted this, but asked whether any assurance could be obtained from Canada that the Government of Quebec would not follow the example set by Ontario. I told him that the Dominion Government did not control that of Quebec and that he must not expect that they could give any assurance with regard to the action of the latter. The Provincial Governments had questions of the conservation of their own resources to consider. Their Crown lands were their property and their position towards these Crown lands was different from that of the Dominion Government as regards its general tariff policy. The United States must not assume that restrictions on the export of pulp from Crown lands were in the nature of a discrimination. He then enquired what prospect there would be for some negotiations between the United States and Canada for the purpose of dropping the pulp export duty on the one hand, and reducing the tariff on paper on the other and he seemed to wish to have some indication of the attitude of the Dominion Government as to any offer of that nature. I told him that there would be a much better chance of making progress in that way than by any threat of applying the maximum scale. The latter would only excite hostile sentiment in Canada, whereas a negotiation for reciprocal concessions might perhaps be considered, though, of course, I could give no assurance on the subject. He asked how it would do for him to go to Ottawa to discuss the matter there, and I told him that, of course, there would be no objection to his going if he wished to do so, but that it would be better, if he went, that he should do so in a perfectly informal way rather than, as had been suggested by common rumour, that the Commissioners as a body should go. It was added that any negotiations would have a much better chance of success if the President's proclamation recognising Canada as entitled to the minimum scale were first issued before any negotiations such as he suggested were started. Everybody would then be in a good humour and favourable, which might not be the case if there were still an idea that the United States was endeavouring to put pressure on Canada. He observed that there would, no doubt, be considerable difficulty in getting any new tariff legislation during this session because the leaders in Congress and especially in the Senate were very much afraid than any proposal for altering any part of the tariff might open up the whole question. This is no doubt, true. If any tariff agreement such as he suggested were to be made, it would be much safer from the point of view of the Republican Protectionist Party to wait for a new Congress, but on the other hand nobody knows what the composition of a new Congress may be. He said that although the paper makers were, of course, to be reckoned with from their activity and organisation, the newspapers were against them because the latter desired cheap paper. On the whole he seemed to think that such an arrangement as he had shadowed forth could be carried through Congress.

The whole conversation conveyed to me the impression that the Tariff Board is at present disposed to advise the President to give Canada the minimum scale, but that there may be some division of opinion among them, and that they are casting about for some means by which they can make it easier to give a decided recommendation of the minimum scale to the President, so as on the one hand not to make an admission which would compromise them with France and other countries, and on the other hand to escape the hostility of the paper interests in this country. They would apparently like to have, if possible, some sort of communication from Canada indicating either that Quebec and the other Provinces would not follow the example of Ontario in restricting the export of Crown lands pulp, or implying a willingness to negotiate upon the whole subject of pulp and paper with a view to some arrangement for reciprocal concessions. I gave no indication whatever of the possible views of the Dominion Government on the subject and did not even offer to convey to Canada what he had told me, but it seems well that you should know at once how the mind of the Tariff Board is moving upon the subject. It is possible that before the matter is settled I may be officially asked to ascertain the views of your Government, or that some member of the Commission may go to Ottawa for the purpose of studying the matter on the spot and privately ascertaining those views.

Yours very truly,

JAMES BRYCE

895. *Prime Minister to Ambassador in United States*

PRIVATE AND CONFIDENTIAL

Ottawa, February 7, 1910

Dear Mr. Bryce,

I am in receipt of your favour of the 3rd instant enclosing a copy of your letter to His Excellency. It is impossible for me to understand on what ground the Tariff Commission can take the position which they apparently contemplate. Our treaty with France is not anything new; it is simply an extension of a treaty which has been in existence since 1893. It was not conceived with any intention of discriminating against the United States and, in fact, does not discriminate against them. We do not buy from the United States a dollar's worth of what we may import from France under its terms.

I have sent your memo to Fielding and he may perhaps communicate with you. In the meantime, if one of the Tariff Commissioners comes to Ottawa, we will be most happy to discuss the situation with him from any point of view which he may choose. It would be much better however if this visit were to be informal and purely confidential.

Believe me etc.

W. LAURIER

896. *Embassy in United States to Governor General*

CONFIDENTIAL February 18, 1910

My dear Governor General,

In the absence of the Ambassador I have to report the latest developments in the tariff matter.

The Ambassador's letter of 3 February reported the general attitude of the Tariff Board. I have had further conversations with them since then and have discussed the question of their Chairman going to Ottawa. They said that the difficulty in that was that the State Department here wished to send with him representatives of that Department. This would make a formal mission which could not escape notice and would make matters worse if it returned without results. This is true for they could not escape the searchlight of the *Herald,* which has been announcing such a mission for some weeks and would exploit the situation for sensation. They asked whether from what I knew Canada would welcome such a mission. In view of Sir W. Laurier's last letter, I said I gathered that if anyone went Canada would prefer that they came alone and as quietly as possible.

They gave me to understand they were in considerable difficulty. They were responsible to the President to prevent a tariff war and all they wanted was some excuse for giving Canada the minimum. If they got no excuse whatever they did not see how they could resist the arguments of those less liberally disposed. I said I would try to get them any information they required to enable them to show that Canada did not "unduly discriminate" in addition to that which they had already been given. They said they had all the information they required; negotiation was the difficulty. Would we communicate to Canada privately an offer from them? It could only be made privately as they could not at this stage get it accepted by the State Department and they had no right to negotiate, but, if accepted by Canada, it would, they undertook, be accepted by the President and the proclamation could then issue without others being consulted. They then made a proposal which I asked them to put in writing and which is annexed herewith.[1] They asked particularly that it should not be made official in any way.

You will see that all they ask for is an assurance, which they told me might be private if preferable to Canada, that for a term of years the export of pulp from limits now held by Americans will not be prohibited. In fact for a renewal say for ten years of the ten years' guarantee in the contracts which is, I believe, about to expire. They put it to us that this concession might be justified purely on grounds of equity and undertake that it should be kept confidential and should be considered as having no connection with the tariff. This would enable Canada to claim to have forced the minimum from the United States without negotiating.

If Canada cannot give this they will take almost anything instead in the way of a reduction of rates; though in this, it is to be observed, there could be no concealment of negotiation. They are in fact hat in hand and do not even

[1] Not printed.

say that if they get nothing the maximum will go into force; they only say, and this is, I think, true, that if they get nothing they, the Board, will lose some of their control and it will go over to the State Department. The Tariff Board, as you probably know, was appointed by the President in order to enable him not to impose the maximum anywhere, and if Canada is willing to do anything at all in the matter, it cannot be done in a better quarter than with them.

The State Department have already taken a hand in the business to the embarrassment of the Tariff Board. They sent for our Councillor, Mitchell Innes, and gave him their views, which he asked should be put in writing, and they accordingly sent the memo which goes to you to-day officially. The bluff put up by the Department is, however, not so impressive as it might have been if the Tariff Board had not already practically thrown down the cards. On hearing of this communication the Board asked that it be not allowed to prejudice their offer.

This may seem too anomalous a situation to be *vraisemblable,* but the present State Department is more out of touch with other Departments than usual, which is saying much; and the Tariff Board is a new body with exceptional powers. As cases in point may be mentioned the formal notifications by the State Department to the Legations of Norway and Sweden that they would incur the maximum unless some cattle regulations were changed. The two Ministers were still suffering from the shock when they read a day or two later in the papers that the President on the advice of the Tariff Board had proclaimed their admission to the minimum.

From a diplomatic standpoint Canada would now seem to be in a very favourable position. If she is disposed to accept the Board's offer, we can obtain the proclamation, probably on no more than a verbal assurance which will not leak out for some time at any rate. We can, moreover, secure that the official reply of Canada to the State Department's memorandum, whatever its terms, shall not prejudice the private negotiation if they care to continue it. The Tariff Board would not mind the State Department being snubbed and it is the former that are the principals.

If they do not want to accept this offer, but will give something else, they can negotiate privately through us or directly with the Board at Ottawa or Washington.

If again they want to make things as difficult as possible for the Americans at the risk of either tariff trouble or of missing the present favourable situation for negotiation, it would be best we should know so that we may terminate these confidential relations with the Tariff Board and let the matter continue in the official channel.

I am etc.

GEORGE YOUNG[1]

[1] First Secretary in charge of commercial affairs, British Embassy in United States, 1909 to 1912.

897. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM [Washington,] February 28, 1910

I have just received a communication from the United States Government to the effect that the reply of the Dominion Government to their request for a discussion of the tariff situation is much appreciated, and that Professor Emery, Chairman of the Tariff Board, and Mr. Pepper of the State Department will be sent shortly to Ottawa for that purpose. The United States Consul General at Ottawa has been instructed to arrange the date of the meeting and to take part in the discussion.

898. *Governor General to Colonial Secretary*

My dear Crewe, Ottawa, March 4, 1910

The Americans who have been sent to Ottawa to find a good reason for not hitting us with the big stick of their maximum tariff have arrived. They dine with me tonight. I have not seen them yet. They have had a preliminary skirmish with Laurier and Fielding. Very friendly, pleasant and conciliatory I understand they are.

They appear to attach more importance to pulp than to the French Treaty; they wish to receive an assurance that we will not prohibit its export. Our power to do so is our ace of trumps, and I do not think Canada will weaken her hand by playing it out until she is satisfied that by so doing she can secure several tricks.

My impression is that our American friends will remain here some days. There is, as Fielding puts it, every disposition on both sides to find a decent excuse to help each other, but the way out has not been found yet.

Yours ever,

GREY

899. *Governor General to Ambassador in United States*

My dear Bryce, Ottawa, March 17, 1910

An informal invitation having reached the Government through Macdonald of *The Globe* for a Canadian Minister to go to Albany for the purpose of seeing Taft on Sunday, Fielding will go.

Taft appears to have told Macdonald that having read the case presented to him re tariff he would be obliged as a Judge to penalize Canada with a maximum. The only chance of averting a tariff war would appear to be an [illegible] on the part of the United States to negotiate a reciprocal arrangement, and to mark time re putting the maximum tariff into operation until negotiations concluded.

The United States want Canada to give to them the concessions given to France but without paying for them the price paid by France. The temper of

the Canadian people would not allow her to take Taft's view that the United States by abstaining from hitting Canada with the maximum are making a concession. The difficulty in the way of the United States paying a price satisfactory to Canada, is, I understand, their inability to make any tariff concessions without the approval of Congress, and there is no probability of moving Congress at present.

Taft is in a hole and our fellows want to help him out. With the view of helping him out the Government are prepared to negotiate reciprocal concessions. This would appear to be a chance which Taft I assume will be glad to take advantage of.

The temper of the average Canadian is very satisfactory. He won't be bullied; he would prefer to suffer. The United States pretension that we have no right to negotiate a commercial treaty with another Power is monstrous!

Yours,

GREY

900. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM Washington, March 18, 1910

SECRET. PRIVATE. President has undoubtedly declared that under the terms of Tariff Act, he feels bound to let maximum go into force against Canada, unless Canada can give some official benefit to the United States. He would be satisfied with comparatively small one, sufficient to save face of the United States, and one which need not imply waiver by Canada of principle that reciprocity treaties do not constitute 'undue discrimination'.

Though Republicans disliking prospect of tariff war may use political pressure to alter his view, those who know him think that he will adhere to above-mentioned position.

BRYCE

901. *President of United States to Minister of Finance*

TELEGRAM Batavia, March 18, 1910

Should be very glad to meet you at Albany, Saturday or Sunday, to discuss the tariff situation. Please present my compliments to Sir Wilfrid Laurier and say to him that I regret to hear that conditions make it impossible for him to come also.

WM. H. TAFT

902. *Minister of Finance to President of United States*

TELEGRAM Ottawa, March 18, 1910

I shall be in Albany Saturday evening.

W. S. FIELDING

903. *Minister of Finance to Secretary of State of United States*

My dear Mr. Secretary, Washington, March 26, 1910

In the conference which, upon his invitation, I had the honour to hold with the President of the United States at Albany a few days ago, it was represented to me that the settlement of our present tariff differences and the opening of the way for negotiations having in view a broader scheme of reciprocal trade would be facilitated by Canada making some reductions in its present scale of duties as applied to products of the United States. While unable to waive any of the contentions which Canada has held throughout our discussion of the subject, I have appreciated the exceptional circumstances and reasons advanced by the President in support of his request. A tariff conflict between the two countries would undoubtedly be a matter of the gravest concern for both, involving widespread disturbance of trade, heavy loss to citizens of both countries and the creation of much friction at a time when the cultivation of happier relations is most desirable. Both parties to the difference should, I realize, be willing to go as far as possible to avert such a conflict.

I have observed with satisfaction that your Government are not disposed to press some of their earlier contentions respecting our commercial treaties which, from our point of view, we could not admit. This being the case, I feel that our Government should go so far as possible to meet the views of the President and to respond to the good spirit in which he has approached the subject. On behalf of the Canadian Government I agree that we shall forthwith recommend to the Parliament of Canada such amendment of the Canadian customs tariff as will reduce the duties on the list of articles agreed upon between us, such articles and the reduced rates of duty being as follows:

No. in Canadian tariff		Reduced rates of duty
94	Dates and figs, dried ..... per 100 lbs.	55 cents.
99	Prunes and dried plums, unpitted; raisins and dried currants per lb.	¾ cent.
109	Almonds, walnuts, Brazil nuts, pecans and shelled peanuts, n.o.p., per lb.	2 cents.
112	Nuts of all kinds, n.o.p. ..... per lb.	2 cents.
180	Photographs, chromos, chromotypes, artotypes, oleographs, paintings, drawings, pictures, decalcomania transfers of all kinds, engravings or prints or proofs therefrom, and similar works of all kinds, or prints or proofs therefrom, and similar works of art, n.o.p.; blue prints, building plans, maps and charts, n.o.p.	22½ per cent.
228	Soap powders, powdered soap, mineral soap and soap, n.o.p.	32½ "
234	Perfumery, including toilet preparations, non-alcoholic, viz.:— hair oils, tooth and other powders and washes, pomatums, pastes and all other perfumed preparations, n.o.p., used for the hair, mouth or skin	32½ "
287	Tableware of china, porcelain, white granite or ironstone	27½ "
318	Common and colourless window glass	12½ "

366	Watch actions and movements and parts thereof, finished or unfinished, including winding bars and sleeves	12½ per cent.
604	Dongola, cordovan, calf, sheep, lamb, kid, or goat, kangaroo, alligator and all leather, dressed, waxed, glazed or further finished than tanned, n.o.p.; harness leather and chamois skin	15 "
634	Feathers and manufactures of feathers, n.o.p.; artificial feathers, fruits, grains, leaves and flowers suitable for ornamenting hats	27½ "
711	All goods not enumerated in this schedule as subject to any other rate of duty, and not otherwise declared free of duty, and not being goods the importation whereof is by law prohibited	17½ "

Provided that duty shall not be deemed to be provided for by this item upon dutiable goods mentioned as 'n.o.p.' in any preceding tariff item.

Provided further that when the component material of chief value in any non-enumerated article consists of dutiable material enumerated in this schedule as bearing a higher rate of duty than is specified in this tariff item, such non-enumerated article shall be subject to the highest duty which would be chargeable thereon if it were composed wholly of the component material thereof of chief value, such 'component material of chief value' being that component material which shall exceed in value any other single component material in its condition as found in the article.

NOTE

The abbreviation 'n.o.p.' means 'not otherwise provided.'

The words 'this schedule,' in item 711, mean Schedule A of the Canadian Customs Tariff.

It is understood that these reductions are not to apply exclusively to the products of the United States, but that the Canadian Government are free to apply them to the products of any other country.

Yours faithfully,

W. S. FIELDING

904. *Secretary of State of United States to Minister of Finance*

My dear Mr. Minister, Washington, March 26, 1910

The adjustment of trade relations between Canada and the United States under existing tariff legislation, conducted through you at the instance of the British Ambassador, and brought to a successful conclusion so largely through your own patient and earnest efforts, cannot fail to be a cause of mutual felicitation between the thoughtful people of both countries.

I am gratified that the recent tendencies towards a more perfect understanding between our respective countries, manifested so conspicuously in the maturing adjustments of boundary, boundary waters, fisheries and other long-standing differences, will not be affected by the irritations which would have resulted from our failure to agree upon the tariff question.

The agreement encourages the hope that the future trade relations of the two countries will become even more intimate and expanded, and will be regulated in a spirit of cordial reciprocation and interdependence. The common commerce now amounts to a vast sum, and its extraordinary

growth is an index of the vast industry and commercial development among both peoples. It seems clear that this trade should be fostered so that the markets of each may be open to the other on the most advantageous terms possible for the interchange of commodities, and that such interchange undoubtedly can be promoted by the two Governments without impairing their national economic policies.

The President is confident that the policy of broader and closer commercial relations with Canada will receive the hearty support of the large majority of the people of the United States, and he has learned with much satisfaction of the existence of a similar sentiment in the Dominion. It may be added that the conditions of the present day, as contrasted with the traditions of the past, are bringing into clearer light the truth that not only mutual trade interests but ethical and social considerations of the highest moment re-inforce this common sentiment.

Let me, then, take this opportunity to express, by his direction, the desire of the President that your Government will find it convenient to take up with this Government, at such time and in such manner as may be mutually satisfactory, the consideration of a re-adjustment of our trade relations upon the broader and more liberal lines which should obtain between countries so closely related geographically and racially, as indicated by the President in his recent public utterances.

I am etc.

P. C. KNOX

905. *Minister of Finance to Secretary of State of United States*

Washington, March 26, 1910

My dear Mr. Secretary,

I have the honour to acknowledge receipt of your letter of this date.

The Canadian Government very heartily reciprocate your expressions as to the desirability of improving the commercial relations between the United States and Canada and will gladly avail themselves of the invitation of the President to take up with your Government, at such time and in such manner as may be mutually satisfactory, the consideration of a re-adjustment of these relations upon broad and liberal lines. The recent public utterances of the President in that direction have afforded much satisfaction to the Canadian people, who will receive with pleasure the formal confirmation of them which is now conveyed to our Government through you. I am confident that your assurances will be received also with much gratification by His Majesty's Government in London who will find in them further evidence of the desire of the Government of the United States to maintain the most cordial relations with the British Empire.

Allow me to express for myself as well as for my colleague, Mr. Graham,[1] who has been associated with me in the conference at Washington, the most

[1] G. P. Graham, Minister of Railways, 1907-1911.

sincere thanks to the President and yourself for the cordiality of your welcome and the very frank manner in which you have discussed the questions that have engaged our attention.

Yours faithfully,

W. S. FIELDING

906. *Governor General to Colonial Secretary*

TELEGRAM Montreal, April 1, 1910

The results of the tariff negotiations between Canada and the United States are as follows:

1. Canada lowers the duty on thirteen items in the Canadian tariff from the general to the intermediate schedule. This is not a special concession to the United States, but is granted to all the world.

2. Mutual assurances are given that negotiations will be entered upon later with a view to closer trade relations between the two countries.

3. Canadian products are admitted to the United States at the minimum rate.

4. The United States recognize the right of Canada to grant a preference to the Mother Country or any part of the Empire, and to make reciprocal treaties with foreign nations.

GREY

907. *Ambassador in United States to Governor General*

CONFIDENTIAL DESPATCH 61

My Lord, Washington, April 7, 1910

I have the honour to inform you that in a conversation which I had with the President of the United States on the 31st ultimo, some reference was made to the future negotiations on tariff subjects between Canada and the United States. He remarked that his view was that the best course would be to address such negotiations to the question of reciprocal reductions in duties on natural products. He would like to see the duties on these not only reduced but to some extent 'equalized all along the line,' i.e., the duties on timber, coal and other minerals and wheat should be brought down to a fairly uniform scale, so that the producers of no particular part of the country would either be specially favoured or have any special ground of complaint, the duties on all natural products being treated on similar principles.

He intimated that while hoping that something might be done during the life of the present Congress, which expires on March 4th, 1911, he conceived that it would be possible to effect a reduction of duties on the part of the United States by treaty without the necessity of asking the House to legislate, because a treaty took effect as law, even in matters affecting revenue. On my enquiring whether the extent of a treaty's operation in such

cases had not been matter of constitutional controversy, he admitted that this was the case, but said in his opinion the provisions of the Constitution covered the case of the tariff rates. It was only where appropriations of money were required that legislation was absolutely necessary; and he appeared to think that as the Senate would take his view the course he was contemplating could be resorted to. He added, however, that he might ultimately decide that it would be better to proceed by making a provisional agreement with Canada and sending a memorandum thereof to Congress with a message asking for legislation on the lines of the memorandum. All this, however, is for the future and quite uncertain.

I am inclined to think he will ultimately prefer to proceed on this latter line rather than run the risk of a constitutional controversy. But should the next House of Representatives have a Democratic majority, which is generally, (though perhaps prematurely) expected, the temptation to accomplish his object by treaty rather than throw the whole subject into the hands of the House would doubtless be strong.

The President added that he thought the tide had now fairly turned in the United States in favour of a lower tariff. It appears to me to be also flowing in the direction of some sort of reciprocity with Canada, and this is true not only of New England but of some parts of the West.

I have etc.

JAMES BRYCE

908. *Colonial Secretary to Governor General*

DESPATCH 264

My Lord, Downing Street, April 12, 1910

With reference to my telegram of the 5th of April, I have the honour to acquaint Your Excellency for the information of your Ministers, that the President of the United States issued a proclamation on the 30th March, admitting imports from the Dominion of Canada, Newfoundland, the Commonwealth of Australia, the Dominion of New Zealand, the Cape of Good Hope, Natal, the Transvaal and the Orange River Colony, and all the other colonial possessions and protectorates of Great Britain in South Africa, to the benefit of the minimum tariff of the United States.

2. I have to add that similar proclamations have been issued in regard to imports from all other parts of the British Empire.

I have etc.

CREWE

909. *Ambassador in United States to Governor General*

My dear Governor General, Washington, May 12, 1910

A letter, copy of which is enclosed, has just reached me from the Secretary of State. It indicates a desire to enter on negotiations at an earlier time than

the President can have contemplated six weeks ago, for he then intimated to me (as mentioned in my despatch No. 60) that he did not expect to be able to enter on the matter before the autumn, by which I understood him to mean October or November; and it may be conjectured that the Administration now desire to have some substantial progress made before the Congressional elections, which come early in November. It is also possible that the pressure of the interests connected with wood pulp may count for something in the matter. If you would like me to sound the President further before the opening of regular negotiations either as to his views of the matters which may be discussed, or as to the means of discussing them, e.g. by correspondence in the earlier stages or by the selection of persons to represent the two countries and discuss the points involved in some place convenient to both Governments, I can easily find means of doing so.

As Mr. Knox's letter enclosed expresses a desire for an early reply, I shall be glad to know as soon as may be convenient to your Ministers what reply it is wished that I should make to his request.

I am etc.

JAMES BRYCE

[ENCLOSURE]

Secretary of State of United States to Ambassador in United States

Washington, May 12, 1910

My dear Mr. Ambassador,

You will recall that, as a result of correspondence and oral communication between the Department and your Excellency's Embassy during last February, tariff negotiations were carried on directly between the Government of the United States and the Dominion Government with a success which enabled the President by proclamation to extend to Canada the minimum tariff of the United States.

In the course of those negotiations, in my correspondence with Mr. Fielding, the Canadian Minister of Finance, there was expressed the desire of the United States and of Canada to improve their commercial relations, as well as the intention of the two Governments to undertake, at such time and in such manner as might be mutually satisfactory, a readjustment of those relations on broad and liberal lines.

It is now the wish of the President to initiate and carry on tariff negotiations along the lines referred to, and since it is desired to proceed so soon as may be found expedient by the Dominion Government, I have the honor to request Your Excellency again to be good enough to inform me, at your early convenience, as to the channel through which this Department may most expeditiously broach this subject to the Canadian authorities, and, if agreeable to them, most effectively proceed with the negotiations.

I am etc.

P. C. KNOX

910. *Governor General to Ambassador in United States*

TELEGRAM Ottawa, May 16, 1910

With reference to Mr. Knox's letter of May 12. My Ministers would have been pleased to have arranged for earlier negotiations if they had understood that such were desired by the United States Government, but they had reason to believe that the President did not think it would be profitable to take up negotiations before the autumn. Under this impression several Ministers [have] already left Ottawa to attend to various matters, and Mr. Fielding, who has had charge of the negotiations, is leaving in a few days for England on public business. Under these circumstances some delay appears to be unavoidable. Please inform United States Government.

911. *Minister of Finance to Secretary of State of United States*

My dear Mr. Secretary, Ottawa, September 30, 1910

Referring to the communications which passed between us several months ago on the subject of further negotiations looking towards better trade relations between the United States and Canada, I have the honour to inform you that I have now returned from my European trip and that it is my desire that at as early a date as may be mutually convenient the negotiations between the two Governments may be resumed.

Unfortunately, at the moment of my return to the Canadian Capital, I find myself suffering from illness which necessitates a period of rest. I do not, however, think that this period will be lengthy. I would hope that before the month of October is far advanced we would be in a position to take up the matter with you.

As to the form and manner of the proposed negotiations, probably some further correspondence would be necessary. If you have any suggestion to offer in this respect, I shall be happy to be favoured with it.

I am etc.

W. S. FIELDING

912. *Secretary of State of United States to Minister of Finance*

My dear Mr. Minister, Valley Forge, October 10, 1910

I am in receipt of your letter of September 30 stating that you are back from your European trip and that it is your desire, at as early a date as may be mutually convenient, that the negotiations between the two Governments looking towards better trade relations between the United States and Canada, which were the subject of communications passing between us some months ago, may be resumed.

I am glad to know of your return, but regret to learn of your illness. Since, however, you do not think that this will necessitate a long period of rest from your public duties and hope that before the month of October is far advanced your Government will be in a position to take the matter up, I have the

pleasure of informing you that the subject already has received consideration on the part of this Government and that we are now ready to continue the negotiations.

In order that a definite basis may be established, the President contemplates the appointment of special plenipotentiary commissioners with full authority to discuss the matters in question. I will therefore be obliged if you will inform me whether the suggestion is agreeable to your Government and whether it will be ready to designate commissioners to meet the commissioners of the United States.

I have etc.

P. C. KNOX

913. *Minister of Finance to Secretary of State of United States*

My dear Mr. Secretary, Ottawa, October 12, 1910

I have the honour to acknowledge receipt of your letter of the 10th instant.

I note with satisfaction that your Government will be pleased to resume at an early date the negotiations having in view better trade relations between the United States and Canada in accordance with our understanding reached when I had the honour of meeting the President and yourself in Washington several months ago.

Referring to your proposal for the appointment of special plenipotentiary commissioners with full authority to discuss the matters in question, if in the judgment of the President such a course is essential, we shall be glad to take the necessary steps to obtain the appointment of such plenipotentiaries, though this may cause a little delay. The appointment, I need not remind you, would, as respects Canada, emanate from His Majesty the King.

Let me, however, add that it does not seem to me that this formality is necessary at the present stage of the question. Our experience in similar cases leads us to think that it may be advantageous that the earlier negotiations shall take place in a less formal way. They should, of course, be conducted by persons duly authorized by the respective Governments. At a later stage, if it becomes reasonably probable that the terms of a treaty can be agreed upon, then it would be necessary to have the more formal appointment of plenipotentiaries by His Majesty the King on behalf of Canada and by His Excellency the President on behalf of the United States to complete the negotiations and sign the treaty.

I shall be obliged if you will kindly favour me with an expression of your views upon this suggestion.

I have etc.

W. S. FIELDING

914. *Secretary of State of United States to Minister of Finance*

My dear Mr. Minister, Washington, October 20, 1910

I beg to acknowledge the receipt of your letter of the 12th instant, replying to my communication of the 10th.

The hope expressed in your communication of the 30th ultimo that before the month of October was far advanced your Government would be in a position to resume negotiations looking toward better trade relations between the United States and Canada, and your expression of satisfaction in your note of October 12 at the prospect of their early resumption are most cordially appreciated.

Referring to the appointment of special plenipotentiaries, it is gratifying to learn that, if in the judgment of the President such course is essential, your Government will be glad to take the necessary steps to obtain the appointment of such plenipotentiaries by His Majesty's Government, although this may cause a little delay.

I have the honour to advise you that the President has carefully and maturely considered this point, and has reached the conclusion that it is highly desirable and important to resume the negotiations through plenipotentiaries duly appointed and empowered to conclude an agreement, and it is hopeful that the appointment of such plenipotentiaries by His Majesty would not involve much delay. I also have the honour to say that this Government is now prepared to designate its plenipotentiaries.

It is my understanding that your Government is desirous of having the negotiations resumed at Ottawa, and that later they may be continued at Washington. This Government cordially concurs, and, as soon as informed that it will be agreeable to receive the plenipotentiaries of this Government to resume reciprocity negotiations, they will be designated and duly empowered and instructed to proceed to Ottawa.

I have etc.

P. C. KNOX

915. *Minister of Finance to Secretary of State of United States*

My dear Mr. Secretary, Ottawa, October 24, 1910

I have the honour to acknowledge receipt of your letter of the 20th instant.

Our Government cannot take exception to the wish of the President, if adhered to, that the entire negotiations on the subject of trade relations shall be conducted by plenipotentiaries possessing formal treaty-making powers. But it is necessary to point out that this form of procedure will prevent that immediate resumption of the negotiations which we had hoped would be mutually desired.

The negotiations which took place last March in Albany and Washington were not less effective because they were somewhat informal in their character. They proved to be a convenient method of reaching a happy solution of questions then pending.

It has been our expectation that the subject would be taken up again in something like the same manner and that one stage at least of the proceedings might be concluded before our Cabinet Ministers, to whom such negotiations are usually assigned, are called upon to undertake their important duties in the Canadian Parliament, which is summoned to meet for the

despatch of business on November 17. This anticipation, it is now apparent, cannot be realized, if the formal appointment of plenipotentiaries is deemed essential as a first step. The treaty-making power rests in His Majesty the King. The proceedings necessary to submit the matter to His Majesty and to obtain the appointment of plenipotentiaries will necessarily occupy some time.

We shall particularly regret if some part of the time between the present and the date fixed for the meeting of the Canadian Parliament cannot be employed in the discussion of the trade relations between the two countries. When our Parliament is in session the presence of our Ministers in the respective Houses of which they are members is usually necessary, and it is then more difficult than at other times for them to give attention to extra-parliamentary affairs.

Impressed as I am by the advantage of an early consideration of the subject, I venture to ask you to present again to the President the reasons which seem to us to render the early and less formal conference desirable.

We shall proceed to give effect to the wish of the President by submitting the matter to His Majesty the King and asking for the formal appointment of plenipotentiaries. If in the meantime the President is willing, in the less formal manner, to send authorized representatives to Ottawa we shall be ready to take up the negotiations immediately and the meeting may take place at the earliest date on which the United States representatives can conveniently be present in Ottawa.

I have etc.

W. S. FIELDING

916. *Secretary of State of United States to Minister of Finance*

My dear Mr. Minister, Washington, October 28, 1910

I beg to acknowledge the receipt of your letter of the 24th instant.

I have presented to the President as you requested the reasons which seem to your Government to render the early and less formal conference regarding trade relations between the two countries desirable. In reply I have to say that the President agrees with you as to the advantage of an early consideration of the subject. He has no desire to press the view that the entire negotiations shall be conducted by plenipotentiaries possessing formal treaty-making powers. His idea concerning the method to be pursued has been to enable both Governments to secure a full and authoritative interchange of views with the purpose, if possible, of formulating a treaty as the result of the negotiations. The matter is one of method rather than of substance and the President believes that it should be determined in a spirit of mutual accommodation. Since it is the conclusion of your Government that the form of procedure necessary for conducting negotiations by plenipotentiaries would prevent that immediate resumption of the negotiations which both

desire, the President is ready to meet your suggestion and designate representatives to proceed to Ottawa and confer with your Government pending the formal appointment of plenipotentiaries as a later step. This course, he understands, will enable your Government to employ some part of the time between the present and the date fixed for the meeting of the Canadian Parliament in the discussion of the subject. The President will designate two representatives of the Department of State who will have full authority to discuss the commercial relations of the two countries with your Government, to state the views of this Government, and to transmit any statement of the views of your Government or any proposition which your Government may care to have submitted.

These representatives will be ready to proceed to Ottawa in order to hold the initial conference not later than November 5, 1910, if that date will be agreeable to your Government, and will act on telegraphic information.

The American Consul General will be joined with them in the conferences during their stay at Ottawa.

I am etc.

P. C. KNOX

917. *Governor General to Colonial Secretary*

CONFIDENTAL DESPATCH

Sir, Ottawa, November 10, 1910

I have the honour to transmit, herewith, for your consideration, copies of an approved Minute of His Majesty's Privy Council for Canada regarding the proposed negotiations with a view to improving the trade relations between the United States and Canada.

2. You will observe that it has been the intention of my responsible advisers to endeavour to ascertain, by a preliminary conference with representatives of the United States, whether there was a reasonable probability of an agreement being reached, and that they still adhere to their opinion as to the advisability of this.

3. As a matter of fact, such a preliminary conference has been arranged and is at present proceeding at Ottawa between Mr. Hoyt, Councillor, and Mr. Pepper, Commercial Adviser of the Department of State on behalf of the United States and Mr. Fielding, Minister of Finance, and Mr. Paterson, Minister of Customs, on behalf of the Dominion of Canada.

4. In view, however, of the expressed wishes of the President of the United States, as set forth in the correspondence attached to this Minute, my responsible advisers request that His Majesty may be moved to appoint plenipotentiaries for the purpose of negotiating a formal treaty designed to improve the commercial relations between the two countries.

I have etc.

GREY

[ENCLOSURE]

Order in Council

P.C. 2176 November 3, 1910

The Committee of the Privy Council have had under consideration a report, dated October 26, 1910, from the Minister of Finance, submitting the annexed copies of recent correspondence between the Honourable P. C. Knox, United States Secretary of State, and the Minister of Finance, respecting proposed negotiations with a view to improving the trade relations between the United States and Canada.

The Minister observes that Your Excellency's Ministers were of opinion that before asking the appointment of plenipotentiaries by His Majesty for the negotiation of a treaty they should endeavour to ascertain by a preliminary conference with representatives of the United States whether there was a reasonable probability of an agreement being reached. It was the desire of Your Excellency's Ministers that such conference should be held at a very early date and that if at such conference it should appear probable that a good understanding could be reached, which might properly take the form of a commercial treaty, representations to that effect should thereupon be made to the Imperial Government and Your Excellency's Ministers should then pray His Majesty to appoint plenipotentiaries duly authorized to conclude a treaty.

The Minister states that—while regretting that the President at this stage prefers the more formal course—he feels that such preference on the part of the United States should not stand in the way of a frank discussion of the commercial relations of the two countries.

The Minister further observes that he has again submitted to Mr. Knox the convenience which, in his opinion, would be found in the less formal conference at the first stage of the negotiations, but has nevertheless intimated that application will be made to the Imperial authorities for the formal procedure which the President desires.

The Committee of the Privy Council, on the recommendation of the Minister of Finance, advise that Your Excellency may be pleased to forward a copy hereof to the Right Honourable the Principal Secretary of State for the Colonies, with a request that the necessary action may be taken to pray His Majesty to appoint plenipotentiaries for the purpose of negotiating a treaty designed to improve the commercial relations between Canada and the United States.

All which is respectfully submitted for approval.

918. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, November 18, 1910

Referring to my despatch confidential of 10th November. Please take no action with regard to appointment of plenipotentiaries till you hear further.

GREY

919. *Governor General to Colonial Secretary*

CONFIDENTIAL DESPATCH

Sir, Ottawa, November 30, 1910

My despatch to Lord Crewe No. 366 of the 17th August will have informed you of the position of the question of the commercial relations between Canada and the United States at the date when that despatch was written.

In my confidential despatch of the 10th November I forwarded copies of correspondence between Mr. Fielding and Mr. Knox, the United States Secretary of State, on the subject of opening negotiations with a view to improving those relations, together with a request from His Majesty's Canadian Government that plenipotentiaries might be appointed to deal with the matter by way of a formal treaty, but for reasons which I will explain later I telegraphed on the 18th November to ask that no action in this direction might be taken for the present.

I stated in my despatch of the 10th November that a preliminary conference was then proceeding between Mr. Hoyt and Mr. Pepper of the United States Department of State, who were accompanied by Mr. Foster, the United States Consul General, on the one hand, and Mr. Fielding and Mr. Paterson on the other. This conference began on the 5th instant and ended on the day on which my despatch was sent, when Mr. Hoyt and Mr. Pepper returned to Washington. Mr. Fielding has also left Ottawa under the advice of his doctors who prescribe for him a complete rest in order that he may recover from the effects of a slight stroke of facial paralysis, which it is hoped has been caused, not by any internal hemorrhage, but by exposure to cold. But before he left I had an interview with him so that I am in a position to inform you of the general effect of what took place at the conference.

Mr. Fielding reported that the attitude adopted by Mr. Hoyt and Mr. Pepper was highly satisfactory and that they showed a genuine desire to meet Canadian requirements as far as possible, but that the subject under discussion was found to be far from simple. Broadly speaking, it is the policy of the United States, while protecting her farmers, to obtain entry into Canada for her manufactured products on easier terms than at present. On the other hand it is the policy of Canada to protect her manufactures and to obtain easier entry into the United States markets for her natural products. These views are obviously hard to reconcile, but it happens that in both countries there are at the present time, tendencies operating in directions exactly the reverse of the main lines of policy above described.

The high cost of living in the United States has produced a demand, evidence of which is to be found in the results of the recent Congressional elections, for a reduction in the tariff on food imports, while in Canada the Western farmers are exerting pressure upon the Dominion Government to lower the duties imposed upon imported agricultural machinery.

This demand was brought to Sir Wilfrid Laurier's notice at meeting after meeting during the tour which he made in the Western provinces in the course of the autumn.

Mr. Hoyt and Mr. Pepper on the one hand and Mr. Fielding and Mr. Paterson on the other fully recognised the situation as above described and

the discussions which took place were conducted by both sides with a genuine desire to find means by which both Governments might solve their own special difficulties.

But the discussions were not of the nature of actual bargaining and should not be regarded as negotiations preliminary to a formal commercial treaty. Indeed, the view of the Canadian Government now is that no treaty will be necessary or desirable. A treaty if concluded would necessarily hamper the Government's freedom of action in tariff matters and it is felt that any advantages which a treaty could secure in the way of obtaining reductions of the United States tariff on imports from Canada could equally well be provided by an arrangement under which each side would undertake to endeavour to get legislation passed to give effect on the same day to such tariff changes as might be mutually agreed upon. In this way the fiscal freedom of both sides would be left quite untouched. Either side would remain perfectly free at any time to make such further changes in its tariff as might seem desirable without laying itself open to any charge of breach of faith with the other. The arrangement would be an informal one and would merely have the effect of recording the changes in the tariff law of each country which the other country would require to have effected as a condition of a corresponding change in its own.

It is accordingly not now desired that plenipotentiaries should be appointed to negotiate a formal treaty.

By way of illustration of the matters which might form the subject of a reciprocal arrangement, such as I have described, the duties upon certain articles, including agricultural machinery and fish, were specially discussed.

As regards agricultural machinery the present position is as follows:

The duties imposed under the United States tariff are 15% *ad valorem*. The duties under the Canadian tariff on similar articles range from 17% to 20%, the greater proportion paying the higher rate, but while the United States duties on agricultural machinery are lower than the Canadian the United States charge 45% on all parts of machinery imported, while the Canadian tariff draws no distinction between parts and complete machines.

The high duty of 45% on parts required for repair purposes effectively closes the door of the United States only partially closed by the 15% duty against Canadian machinery.

The United States negotiators professed readiness to recommend the reduction of the United States duty on spare parts to the level of that charged on complete machines, viz., 15%.

I understand that proposals involving reciprocal reductions, with the object of bringing the duties of the two countries below the level of the present United States duty, were considered.

In compensation for the loss of protection which would be suffered by the Canadian manufacturers through a lowering of the duties on agricultural machinery, the Canadian Government might have to consider whether

they should not lower their duties on imported material required for its construction. Such reduction might, however, be found difficult, owing to its effect upon Canadian industries engaged in the manufacture of material used in agricultural machines.

As regards fish, it has long been the object alike of Canada and of Newfoundland to obtain free access to the American market. On this subject Mr. Hoyt and Mr. Pepper at first took up a cautious and non-commital attitude, but later on allowed Mr. Fielding to understand that the United States Government might be prepared to meet the longstanding desires of British North America.

Of course many other matters would have to be discussed before a reciprocal arrangement, such as I have described, could be agreed upon and it is Mr. Fielding's intention, if his health permits him, to resume in January, at Washington, the discussions commenced at Ottawa.

I have said that it is the policy of Canada, while showing no wish to initiate tariff negotiations, to take advantage of the desire of the United States to negotiate reciprocal tariff reductions, with the object of securing freer entry for her natural products into the United States, and Mr. Fielding hopes that the pressure upon President Taft to reduce the cost of living will be sufficient to make him an easy negotiator.

Mr. Fielding believes that he has convinced Mr. Hoyt and Mr. Pepper that it would be impossible for the Canadian Government, except perhaps in the case of agricultural machinery, to reduce their tariff on American manufactures.

The maintenance of the British preference and the protection of the nascent manufactures of the Dominion, are the joint bases of the national policy of His Majesty's Canadian Government.

Evidence of President Taft's probable willingness to consider favourably the reduction of duties on Canadian natural products is afforded by the fact that Mr. Hoyt and Mr. Pepper confirmed the view to which the President had previously given expression, that the Government of the United States would be prepared to give preferential treatment to Canada on grounds of neighbourhood. The words used by President Taft were as follows:

> It is my deliberate purpose to promote, in such ways as are open to me, better trade relations between the United States and Canada. I am profoundly convinced that these two countries, touching each other for more than three thousand miles, have common interests in trade and require special arrangements in legislation and administration which are not involved in the relations of the United States with countries beyond the seas.

Since the above was written I have learnt with great regret of the sudden death of Mr. Hoyt at Washington. I can only hope that the loss of so able and friendly a negotiator may not have the effect of postponing a satisfactory settlement of these questions.

I have etc.

GREY

920. *Order in Council*

P. C. 2428 December 6, 1910

The Committee of the Privy Council have had before them a report, dated 28th November, 1910, from the Secretary of State for External Affairs, stating, with reference to the Minute of Council of the 3rd November, 1910, respecting trade relations between the United States and Canada, that subsequent to the correspondence therein referred to a communication was received by the Minister of Finance from the Honourable P. C. Knox, United States Secretary of State, intimating that the President of the United States had agreed to the suggestion of the Minister that preliminary negotiations might properly be carried on without the formal appointment of plenipotentiaries by His Majesty and the President.

The Minister observes that in accordance with the understanding thus reached as to the method of procedure, Mr. Henry M. Hoyt, Counsellor of the State Department at Washington, and Mr. Charles M. Pepper, Commercial Adviser of the State Department, have visited Ottawa, and, in conjunction with Mr. J. G. Foster, United States Consul General at Ottawa, have held a conference with the Minister of Finance and the Minister of Customs. It has been agreed that such conference shall be resumed at Washington at as early a date in January as may be found convenient;

That the Minister of Finance is of opinion, therefore, that the proposed immediate appointment of plenipotentiaries by His Majesty as prayed for in the said Minute of Council of 3rd November, is not necessary, and that the question of such appointment may be deferred for future consideration.

The Committee, on the recommendation of the Secretary of State for External Affairs, advise that Your Excellency may be pleased to forward a copy hereof to the Right Honourable the Principal Secretary of State for the Colonies.

All which is respectfully submitted for approval.

921. *Minister of Finance to Prime Minister*

TELEGRAM Washington, January 9, 1911

CONFIDENTIAL. If we reach agreement here at all think we could arrange for free news printing paper and pulp, if Quebec and Ontario would in that case abolish their restrictions. American authorities say the Newspaper Publishing Association have assurance from Gouin[1] that he would agree to such an arrangement. Could you ascertain if this correctly represents Gouin's position. If the matter should take this shape do you think it would be worth while approaching the Ontario Government to ascertain their view. If no agreement could be made it is possible States might pass a separate act providing for free paper whenever the Provinces abolish their restrictions but the Americans would prefer to have us include the matter in our present negotiations if we could do so.

W. S. FIELDING

[1] Sir Lomer Gouin, Premier of Quebec, 1905-1920.

922. *Prime Minister to Minister of Finance*

TELEGRAM Ottawa, January 10, 1911

I will try to find Gouin's views but it will take some days before I can give definite answer. With regard to Government of Ontario my impression and that of my colleagues from that Province is to the effect that we would not get any assistance from Provincial Government and that it is safer to ignore them altogether. I think you should guide yourself accordingly.

WILFRID LAURIER

923. *Ambassador in United States to Foreign Secretary*

DESPATCH Washington, January 10, 1911

. . . I have the honour to inform you that the Honourable Mr. Fielding, Canadian Minister of Finance, and the Honourable Mr. Paterson, Canadian Minister of Customs, arrived here on the 6th instant and were introduced by me to the President on the following day. He received them very cordially, expressing his earnest desire that means should be found for improving trade relations between Canada and the United States and dwelling on the benefits which both countries, with a land frontier of 3,000 miles, would derive from a larger and freer interchange of their respective products. On the same day the Conference between the two Ministers aforesaid and the Secretary of State and his officials on the part of the United States was opened. It was continued to-day, and may probably last through the week. I have been in constant communication with the Canadian Ministers, and gather from them that the difficulties incident to any general reciprocity still appear serious . . . .

[JAMES BRYCE]

924. *Minister of Finance to Prime Minister*

TELEGRAM Washington, January 17, 1911

UTMOST CAUTION NECESSARY TO GUARD AGAINST PUBLICITY. STRICTLY CONFIDENTIAL. Business moving satisfactorily. Think we shall finally come to good understanding. Large free list farm products, also large rough lumber. Have been doubtful about fruits and vegetables; they will grant them generally but object to our selecting parts. Have decided that we should agree with their view. Will have to make some concessions on manufactures but not large in any case. List has been carefully considered so that no interest likely seriously hurt. Difficulty arose Saturday when other side demanded free fishing rights in return for free fish. This we flatly refused. They have now withdrawn their demand and agreed to free fish. Question of privileges now enjoyed by them under temporary licence has not yet been raised but we may find it expedient agree continue present system for nominal licence fee. Principal difficulty now in regard to mutual custom

regulations and in determining what percentage of Canadian labour will be necessary to stamp goods as Canadian. Hope come to satisfactory arrangement on this. Please advise us whether arrangement as here outlined will be satisfactory and if we may finally agree. If more details wanted wire immediately.

W. S. FIELDING

925. *Prime Minister to Minister of Finance*

TELEGRAM Ottawa, January 18, 1911

Proposed arrangement as outlined in your telegram of yesterday seems satisfactory. Our colleague King objects to concessions on furniture. Ontario colleagues would like you to consider, should reduction on manufactures be necessary, whether corresponding reduction on coal should not be conceded. Without this they fear much difficulty will be experienced in convincing Ontario that benefits derived do not accrue mainly to other provinces. The whole matter left to your own judgment. Do not forget to settle our grievance concerning residence of mariners on the lakes. This is deemed important.

WILFRID LAURIER

926. *Ambassador in United States to Foreign Secretary*

TELEGRAM Washington, January 19, 1911

The Canadian reciprocity agreement with the United States has almost been completed, and the Canadian Ministers hope that it will be signed on Saturday, the 21st January, and that they will be able to announce the results on Thursday, the 26th January, at Ottawa.

So far as it has been arranged at present, the agreement puts on the free list several, though not all, natural products. For both countries the duties on certain manufactured articles are slightly lowered, and although some of the United States duties are below their minimum tariff, all the duties remain pretty high. In some cases, therefore, the United States duties will not be so high as those chargeable on British goods, but in practice there should be no injury to British exporters, and the Canadian Minister of Finance assures me that there will in practice be no injury to goods imported from Great Britain.

Canada reduces duties on United States fishing-vessels in the Dominion waters to uniform charge of one dollar, while the United States grant free importation of fish from Canada.

The manner of effecting the reductions is to be by concurrent legislation; the hope is expressed that the arrangements may last for some considerable time, but no term has been fixed for their continuance.

JAMES BRYCE

927. *Minister of Finance to Prime Minister*

CONFIDENTIAL

My dear Sir Wilfrid, Washington, January 20, 1911

My recent telegrams will have given you a general outline of the progress of our negotiations here. One never feels quite free to say a thing is settled until it is absolutely closed beyond question. Hence I cannot at the moment say that all is arranged. But there is very little remaining between our American friends and ourselves to call for any difference. We expect to have a final meeting tomorrow at which we hope the last touch will be given. Then, if no snag arises, we shall complete the arrangement and sign it. Of course, it has not taken the form of a treaty. We have proposed to the other side that we should write a letter to Secretary Knox, stating our understanding of what is the arrangement, that he should reply confirming our understanding and that each side should agree to recommend to Congress or to Parliament, as the case may be, the legislation necessary to carry out the scheme. Several days will have to elapse before the conclusions can be publicly announced. At the moment of writing I am not clear as to what Mr. Paterson's ideas are as to returning. I think it would be just as well that we do not turn up in Parliament until we are ready to announce the arrangement. That will probably not be before Thursday next. Our American friends will not be ready to take action until that date. I think it would be all right if we could arrive in Ottawa, say Wednesday evening. If members of the Cabinet are free, perhaps you could have a meeting on Wednesday evening or at the latest Thursday morning, at which we could report the results of our mission. Then on Thursday, soon after the opening of the House, we could make a statement in the House as was done in connection with our negotiations of last session. We could get back to Ottawa a day earlier. But my own view is that for us to be there while Parliament is sitting and not free to make a statement would be embarrassing. So we may get an extra day somewhere on the homeward journey. However, that is my own view, and, as Mr. Paterson is not at hand as I write, it is possible that he will have some other idea.

Our schedules are not in a condition to send you, so we shall have to leave you with only the general outline indicated in my telegrams. I feel persuaded, however, that when we are able to spread the details before you, you will come to the conclusion that we have not made a bad bargain.

One point upon which there has been some difficulty and which is not at this moment finally disposed of is in relation to regulations. Our people have sometimes complained that the American tariff, bad as it is for us, is made much worse by vexatious regulations. We have been anxious to guard against anything of the kind. It is only fair to our American friends to say that on this point, as, indeed, upon all others, in connection with the negotiations, they have shown an excellent spirit. We are quite hopeful

that this, the only remaining point, will be cleared up during our session tomorrow and that then, or at the very latest on Monday, we shall be able to close the whole transaction.

Yours faithfully,
W. S. FIELDING

928. *Canadian Delegates to Secretary of State of United States*

Dear Mr. Secretary, Washington, January 21, 1911

The negotiations initiated by the President several months ago through your communication to His Excellency the British Ambassador respecting a reciprocal tariff arrangement between the United States and Canada, and since carried on directly between representatives of the Governments of the two countries, have now, we are happy to say, reached a stage which gives reasonable assurance of a conclusion satisfactory to both countries.

2. We desire to set forth what we understand to be the contemplated arrangement, and to ask you to confirm it.

3. It is agreed that the desired tariff changes shall not take the formal shape of a treaty, but that the Governments of the two countries will use their utmost efforts to bring about such changes by concurrent legislation at Washington and Ottawa.

4. The Governments of the two countries having made this agreement from the conviction that, if confirmed by the necessary legislative authorities, it will benefit the people on both sides of the border line, we may reasonably hope and expect that the arrangement, if so confirmed, will remain in operation for a considerable period. Only this expectation on the part of both Governments would justify the time and labour that have been employed in the maturing of the proposed measures. Nevertheless, it is distinctly understood that we do not attempt to bind for the future the action of the United States Congress or the Parliament of Canada, but that each of these authorities shall be absolutely free to make any change of tariff policy or of any other matter covered by the present arrangement that may be deemed expedient. We look for the continuance of the arrangement, not because either party is bound to it, but because of our conviction that the more liberal trade policy thus to be established will be viewed by the people of the United States and Canada as one which will strengthen the friendly relations now happily prevailing and promote the commercial interests of both countries.

5. As respects a considerable list of articles produced in both countries, we have been able to agree that they shall be reciprocally free. A list of the articles to be admitted free of duty into the United States when imported from Canada, and into Canada when imported from the United States, is set forth in Schedule A.[1]

6. As respects another group of articles, we have been able to agree upon common rates of duty to be applied to such articles when imported into the

[1] The Schedules to the Reciprocity Agreement, with the supporting material, are found in *Sessional Papers*, 1912, 82a.

United States from Canada or into Canada from the United States. A list of these articles, with the rates of duty, is set forth in Schedule B.

7. In a few instances it has been found that the adoption of a common rate will be inconvenient and therefore exceptions have to be made.

8. Schedule C specifies articles upon which the United States will levy the rates therein set forth when such articles are imported from Canada.

9. Schedule D specifies articles upon which Canada will levy the rates therein set forth when such articles imported from the United States.

10. With respect to the discussions that have taken place concerning the duties upon the several grades of pulp, printing paper, etc.—mechanically ground wood pulp, chemical wood pulp, bleached and unbleached, news printing paper and other printing paper and board made from wood pulp, of the value not exceeding four cents per pound at the place of shipment—we note that you desire to provide that such articles from Canada shall be made free of duty in the United States only upon certain conditions respecting the shipment of pulp wood from Canada. It is necessary that we should point out that this is a matter in which we are not in a position to make any agreement. The restrictions at present existing in Canada are of a provincial character. They have been adopted by several of the provinces with regard to what are believed to be provincial interests. We have neither the right nor the desire to interfere with the provincial authorities in the free exercise of their constitutional powers in the administration of their public lands. The provisions you are proposing to make respecting the conditions upon which these classes of pulp and paper may be imported into the United States free of duty must necessarily be for the present inoperative. Whether the Provincial Governments will desire to in any way modify their regulations with a view to securing the free admission of pulp and paper from their provinces into the market of the United States, must be a question for the provincial authorities to decide. In the meantime, the present duties on pulp and paper imported from the United States into Canada will remain. Whenever pulp and paper of the classes already mentioned are admitted into the United States free of duty from all parts of Canada, then similar articles, when imported from the United States, shall be admitted into Canada free of duty.

11. The tariff changes proposed might not alone be sufficient to fully bring about the more favourable conditions which both parties desire. It is conceivable that Customs regulations which are deemed essential in some cases might operate unfavourably upon the trade between the United States and Canada, and that such regulations, if made without due regard to the special conditions of the two countries, might to some extent defeat the good purpose of the present arrangement. It is agreed that the utmost care shall be taken by both Governments to see that only such customs regulations are adopted as are reasonably necessary for the protection of the Treasury against fraud; that no regulation shall be made or maintained which unreasonably hampers the more liberal exchange of commodities now proposed; that representations on either side as to the unfavourable operation of any regulation will receive from the other all due consideration, with

the earnest purpose of removing any just cause of complaint; and that, if any further legislation is found necessary to enable either Government to carry out the purposes of this provision, such legislation will be sought from Congress or Parliament as the case may be.

12. The Government of Canada agree that, until otherwise determined by them, the licences hitherto issued to United States fishing vessels under the provisions of Section 3 of Chapter 47 of the Revised Statutes of Canada, granting to such vessels certain privileges on the Atlantic coast of Canada shall continue to be issued and that the fee to be paid to the Government of Canada for such licence by the owner or commander of any such United States vessel shall hereafter be one dollar per annum.

13. It is understood that upon a day and hour to be agreed upon between the two Governments, the President of the United States will communicate to Congress the conclusions now reached and recommend the adoption of such legislation as may be necessary on the part of the United States to give effect to the proposed arrangement.

14. It is understood that simultaneously with the sending of such communication to the United States Congress by the President, the Canadian Government will communicate to the Parliament of Canada the conclusions now reached, and will thereupon take the necessary steps to procure such legislation as is required to give effect to the proposed arrangement.

15. Such legislation on the part of the United States may contain a provision that it shall not come into operation until the United States Government are assured that corresponding legislation has been or will be passed by the Parliament of Canada; and in like manner the legislation on the part of Canada may contain a provision that it shall not come into operation until the Government of Canada are assured that corresponding legislation has been passed or will be passed by the Congress of the United States.

Yours faithfully,

W. S. FIELDING
WM. PATERSON

929. *Secretary of State of United States to Canadian Delegates*

Gentlemen, Washington, January 21, 1911

I have the honor to acknowledge the receipt of your communication of this date in relation to the negotiations initiated by the President several months ago for a reciprocal trade arrangement between the United States and Canada, in which you set forth and ask me to confirm your understanding of the results of our recent conferences in continuation of these negotiations.

I take great pleasure in replying that your statement of the proposed arrangement is entirely in accord with my understanding of it.

It is a matter of some regret on our part that we have been unable to adjust our differences on the subject of wood pulp, pulp wood and print paper. We recognize the difficulties to which you refer growing out of the

nature of the relations between the Dominion and Provincial Governments, and for the present we must be content with the conditional arrangement which has been proposed in Schedule A attached to your letter.

I fully appreciate the importance, to which you call attention, of not permitting a too rigid customs administration to interfere with the successful operation of our agreement, if it is approved by the Congress of the United States and the Parliament of Canada, and I desire to confirm your statement of our understanding on this point. I am satisfied that the spirit evinced on both sides gives assurance that every effort will be made to secure the full measure of benefit which is contemplated in entering into this arrangement.

The assurance that you give that the Dominion Government proposes to require only a nominal fee from the fishing vessels of the United States for the privileges in Canadian waters for which heretofore a charge of $1.50 per ton for each vessel has been required is most gratifying.

I heartily concur in your statement of the purposes inspiring the negotiations and in the views expressed by you as to the mutual benefits to be derived by both countries in the event our work is confirmed, and I take this opportunity to assure you, on behalf of the President, of his appreciation of the cordial spirit in which you have met us in these negotiations.

I have etc.

P. C. KNOX

930. *Canadian Delegates to Secretary of State of United States*

Dear Mr. Secretary, Washington, January 21, 1911

We have received with much satisfaction your letter of this date in which you have confirmed our understanding of the arrangement which is being made between us respecting trade relations between the United States and Canada.

In bringing the negotiations to a close, permit us to express our warmest appreciation of the spirit in which the whole subject has been dealt with by the President and yourself and for the unvarying courtesy which we have received in Washington from all the officials of your Government with whom we have been brought in contact.

Yours faithfully,

W. S. FIELDING
WM. PATERSON

931. *Ambassador in United States to Foreign Secretary*

Sir, Washington, January 22, 1911

The enclosed correspondence[1] was to-day communicated to this Embassy by the Canadian Ministers who during the past fortnight have been negotiat-

[1] Presumably Documents 928, 929 and 930.

ing in Washington a reciprocal trade arrangement between Canada and the United States.

This arrangement, which is embodied in the enclosure, was reported to you to-day in its general substance by cable. I am forwarding it herewith by post. As at present advised, I am disposed to believe that British interests are not to any appreciable extent prejudiced, and I have also the assurances of the Canadian Ministers on this point. No opportunity was lost in the course of the negotiations of reminding them of the regard which it was right and fitting they should have to Imperial interests, while also, as was their obvious duty, doing their best for Canadian interests; and such reminders found on every occasion a frank and cordial response. The arrangement still rests in reality on the growing realisation of the fact that a high tariff wall between contiguous countries whose products are economically interchangeable is an injury to both, and opposed to sound fiscal principles. The results of such artificial barriers are most obviously objectionable in the case of natural food products, and it is with these the arrangement principally deals. In so far as the arrangement oversteps this basis it is probably influenced, and will at any rate be publicly justified and defended in the United States, by the traditional policy of the United States of promoting closer economic relations between the States of the Western Hemisphere. That such policy is not counteracted by and does not check the rapidly growing sense of national consciousness and international importance in the peoples of these States has of late been abundantly proved. No more in Canada than in the Republics of Latin-America, to which the United States Government has sought to extend its Pan-American propaganda, does there seem a likelihood that a freer interchange of commodities will lead to closer relations of a political kind.

I have etc.

JAMES BRYCE

932. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, January 25, 1911

SECRET. Matter most urgent. Secretary of State for Foreign Affairs informs me that agreement has been concluded with United States for reciprocity in certain articles. If and where reduction of duties on United States goods puts them at a lower figure than those now in force for United Kingdom we assume that duties on British goods will be reduced similarly and simultaneously. Please telegraph whether this assumption is correct. Great importance attached by His Majesty's Government to this fact being stated on publication of new tariff to-morrow.

HARCOURT

933. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, January 25, 1911

Matter most urgent. Your cypher telegram of to-day. It has always been the policy of my Ministers that in any trade arrangements with other nations, there should be no discrimination against the Mother Country. This principle was constantly kept in view by them in recent negotiations with the United States. Reduction of duties on United States goods would be accompanied by same reduction on British goods.

GREY

934. *Minister of Finance to High Commissioner in United Kingdom*

TELEGRAM Ottawa, February 7, 1911

It is evident that some British journalists and public men have received entirely erroneous impressions concerning the Reciprocity Agreement. Reciprocal trade relations with the United States have been the policy of all parties in Canada for generations—many efforts have been made to secure a treaty, but without success. Sir John Macdonald's National Policy Tariff, 1879, contains a standing offer of reciprocity with the States covering a large portion of the products included in the present arrangement. The unwillingness of the Americans to make any reasonable arrangement led to much disappointment in Canada. Sir Wilfrid Laurier several years ago gave expression to this, and said that Canada would not again take the initiative in negotiations. Now that the Americans have entirely changed their attitude, and have approached Canada with fair offers, our Government take the position that we should meet them fairly, and that in making such an arrangement as is now proposed we are realising the desires of our people for half a century; and also that in promoting friendly relations with the neighbouring Republic we are doing the best possible service to the Empire. Canada is seeking markets everywhere for her surplus products—subsidizing steamship lines and sending out commercial agents. Would it not be ridiculous in the pursuit of such a policy to refuse to avail herself of the markets of the great nation lying alongside? The expressed fear that it will seriously affect imports from Great Britain is groundless; the greater part of the agreement deals with natural products which Great Britain does not send us. The range of manufactures affected is comparatively small, and in most cases the reductions are small. It appears to be assumed in some quarters that the tariff rates agreed upon discriminate in favour of the United States and against Great Britain. There is no foundation for this. In every case Great Britain will still have the same rate, or a lower one. Canada's right to deal with the British preference as she pleases remains untouched by the Agreement. The adoption of the agreement will probably lead to some further revision of the Canadian tariff in which Canadian Parliament will be entirely free to fix the British preferential tariff at any rates that may be deemed proper.

W. S. FIELDING

935. *Ambassador in United States to Governor General*

TELEGRAM Washington, March 4, 1911

Both Houses of Congress have adjourned without Senate [or] House considering reciprocity with Canada, President has called extra session for April 4th in compliance with obligations of Government of United States under agreement. Text of proclamation by post. BRYCE

936. *Ambassador in United States to Prime Minister*

PRIVATE

My dear Sir Wilfrid, [Washington,] March 6, 1911

The President has just spoken to me about the Reciprocity Agreement and seemed to wish that you and Lord Grey should be informed of his view. He feels sure of being able to carry the agreement through both Houses of Congress, but thinks it may take some time to do so, and though he is making and will make every effort to press it forward, he can't be sure that it will be disposed of before the beginning of May. Congress meets on April 4. He thought that the sooner the Agreement came to a vote and was passed by your Parliament, the more would progress with it here be expedited.

I am etc.

JAMES BRYCE

937. *Ambassador in United States to Governor General*

TELEGRAM Seal Harbour, July 22, 1911

Reciprocity[1] passed Senate without amendment.

BRYCE

[1] The prohibition of exports of pulp wood cut from Crown lands, imposed by Ontario, Quebec, British Columbia and Newfoundland, was a complicating factor in the commercial relations with the United States during the reciprocity period. The Payne-Aldrich Tariff of 1909 had allowed pulp wood (round logs intended for the manufacture of pulp) free entry, and had offered free entry for wood pulp and reduced duties for paper, on the condition that the restrictive Canadian legislation was repealed. If the Canadian legislation was not abandoned, then additional duties would be imposed on pulp and paper. Since the provinces and Newfoundland refused to modify their export duties, the heavier American duties came into effect in 1909.

The Reciprocity Agreement of 1911 represented another attempt by the United States to persuade the provinces to drop their export duties. The American act provided for the free importation of pulp wood and paper from private lands in Canada, and offered similar concessions on wood cut from Crown lands, on the condition the provincial restrictions were repealed. Since the provinces again refused to take action, what emerged from the long reciprocity negotiations was the free entry into the United States of newsprint and pulp wood from private lands in Canada between July 26, 1911 and October 3, 1913.

On the latter date the Underwood-Simmons Tariff, the lowest tariff since the Civil War, came into effect. This tariff, which lasted until 1921, gave free entry to Canadian wood pulp and pulp logs but continued the countervailing duties on paper in cases where the raw material had previously paid an export tax. The United States Reciprocity Act, despite several attempts in Congress to repeal it, remained on the statute books until 1922, by which time the country had returned to a high tariff policy.

Additional material on the reciprocity negotiations may be found in *Sessional Papers*, 1910, 10j; 1911, 109b; 1912, 82, 82a.

UNITED STATES: PECUNIARY CLAIMS AGREEMENT

938. *Ambassador in United States to Secretary of State of United States*

No. 30

Sir, Washington, February 14, 1910

As you are aware, a convention for the arbitration of such pecuniary claims now outstanding between my Government and that of the United States as both Governments may consider suitable for settlement by that means has been for some considerable time the subject of informal negotiations between the State Department and this Embassy, which will, it is hoped shortly, result in an agreement for the creation of an arbitral commission to deal with them.[1]

Among the claims provisionally included in the schedule presented by His Majesty's Government are a certain number in which liability has been accepted by the United States Administration and in regard to which recommendations have at one time or another been submitted to Congress by the State Department supporting appropriations for their settlement in full. This action was taken as recently as last winter when all these approved claims were at various times recommended to Congress with the result that they were paid and removed from the schedule. This was done at the request of this Embassy and without prejudice to the provisional retention of these claims in the British Schedule to the Convention the negotiations as to which were then already in an advanced stage.

I desire to suggest for your consideration that it would be now desirable that this procedure should again be followed in regard to the approved claims, of which a list is appended. As liability is admitted in regard to them, their reference to arbitration is really nothing more than a formality resorted to in order to avoid difficulties in obtaining appropriations in regard to them which may very possibly have ceased to exist, and a settlement of them by the procedure suggested would be very welcome to my Government

[1] Negotiations for an agreement to settle a large number of financial claims from corporations, companies, and private citizens of Britain, United States, and Canada were begun as early as 1904 when the United States proposed a mixed commission consisting of an equal number of representatives from Britain and the United States for the adjustment of outstanding pecuniary claims. The procedure suggested recalled that followed in 1853, when a commission had been appointed to settle all the outstanding private claims between the two countries since the Treaty of Ghent in 1814. Britain rejected the United States' proposal, recommending instead a reference to a neutral arbitrator or arbitrators, preferably the Hague Tribunal. Negotiations continued on the various claims to be submitted to the Tribunal, but definite progress towards a treaty could not be made until the question of the composition of the tribunal was settled.

In 1908 the United States proposed a convention whereby all claims would be referred to three commissioners: one named by the United States, one by Great Britain, and one by both countries acting jointly. Canada objected at first to this arrangement, favouring instead two commissioners to settle the claims on which all parties could agree, with a third appointed when the parties could not agree. The Canadian objection was shortly withdrawn, however, when Canada was assured that her interests would be fully safeguarded. While negotiations for the convention proceeded, individual claims were prepared for inclusion in a schedule of claims for eventual arbitration.

while it would have the effect of clearing the schedule to the proposed convention of what are admitted claims not needing arbitration.

To the list of approved claims herewith annexed have been appended two: those known as the "Yukon lumber" and "Wrathall" claims. The amounts in these two claims being insignificant and the facts apparently undisputed, you may be disposed to think, after considering them that the United States Government might properly include them in the approved claims for submission to Congress.

I have etc.

BRYCE

[ENCLOSURE]

APPROVED CLAIMS FOR RECOMMENDATION TO CONGRESS

Claims for damages to cables of the Cuban Submarine Telegraph Company and of the Eastern Extension, etc., Company caused by naval operations in 1898.

Claims of Canadian Electric Light Company and of Great North Western Telegraph Company for damages to their cables in the St. Lawrence by the U.S.S. *Essex*.

Claims of owners of S.S. *Lindisfarne* and *Eastry*, for damages or demurrage caused by naval vessels of the United States.

Claim of Messrs. Walker for freight for coal carried to Manila for the United States Government in S.S. *King Robert*.

* * *

CLAIMS RECOMMENDED FOR APPROVAL

Claim of Mr. Wrathall for damages caused by military manoeuvres at Chickamauga in 1898.

Claim to payment for lumber supplied to the United States authorities in the Yukon.[1]

939. *Ambassador in United States to Governor General*

PRIVATE

My dear Governor General, Washington, May 6, 1910

After infinite pains and unconscionable delays we have at last obtained from the United States Government a definite proposal for a draft pecuniary claims convention. This proposal is entirely satisfactory as far as it goes. Though it comes from them it is practically a draft prepared by us and accepted by them with only verbal amendments. It leaves for subsequent settlement the particular claims which are to be submitted to this arbitration; though no great difficulty exists at present in this respect, and such as there

[1] This item refers to lumber from the Yukon supplied to authorities in the United States.

is will, it is hoped, disappear when the agreement to arbitrate now arranged, subject to the approval of His Majesty's Government and yours, is approved and published.

I had intended to send George Young to Ottawa to explain the situation in order to obtain the assent of Canada; but, as it has been impossible to catch Aylesworth before he leaves, it will be best for Young, who sails next week, to see him about it in London.

So far as I see, there is nothing in the agreement as it stands to which Canada will be at all likely to object. Its effect is really the same as that of the former agreement which your Ministers approved eighteen months ago. But as much time was lost at an earlier stage of the negotiations in correspondence over a technical point of small consequence, I was anxious that no precaution should be overlooked which could ensure a full understanding of the matter now. My hope is that Aylesworth will find the draft satisfactory and be able to advise its acceptance by Canada. The question of the particular claims to be inserted may need some subsequent discussion. It could not be despatched now because the United States could not make up their minds which claims they would drop. But I trust that before long the settlement of that part of the matter also will bring this long and tiresome business also to a close.

It was also in my mind that the presence of Young, who knows the Behring Sea sealing question thoroughly might have been serviceable in helping to finish off that matter but as Aylesworth had left, it did not seem necessary to send him, for that purpose only, especially as I gather from your letters that the question is now very near a decision by your Ministers.

I am etc.

JAMES BRYCE

940. *Ambassador in United States to Governor General*

DESPATCH 82 URGENT

My Lord, Washington, May 14, 1910

I have the honour to forward herewith a copy of a draft agreement for the arbitration of pecuniary claims outstanding between the Governments of Great Britain and the United States.[1]

The draft is the result of prolonged negotiations[2] and differs very little in substance from that which was forwarded to Your Excellency towards the end of 1909, and to which your Government then saw no objection. So far as the present draft differs it is simpler and somewhat more favourable to ourselves, and it covers the points which your Government specially sought to provide for. I enclose a memorandum explaining the various

[1] With the exception of a slight change in wording in Article V, the draft agreement is identical with the final Agreement for the Settlement of Certain Pecuniary Claims Outstanding between Great Britain and the United States, August 18, 1910. The text of the Agreement is found in *Treaties and Agreements affecting Canada in force between His Majesty and the United States of America, with Subsidiary Documents 1814-1925*. Ottawa, 1927, pp. 354-361. Only the second and fourth of five separate enclosures sent with Despatch 82 are reproduced here.

[2] For a convenient record see Enclosure 2.

articles of the draft agreement, and Mr. Young, who has now left for London to attend the Hague Tribunal has been instructed to give more detailed explanations to Mr. Aylesworth on the subject when he meets the latter at The Hague.

It will be observed that the claims to be arbitrated will be submitted from time to time in schedules, each of which will be virtually an agreement in itself, requiring the consent of His Majesty's Government and of the Dominion affected (if any) and of the United States Senate. Owing to the delays caused by the changes at the State Department due to the advent of the new Administration and to the wish of those now in that Department to investigate all claims *de novo,* it has not yet been possible to finally settle the terms of the first schedule, but the enclosed draft (Enclosure 3) is now under discussion. The arrangement of the schedule, by which the claims of both parties will be submitted jointly under convenient categories, has the concurrence of the United States Government. It not only permits an appearance of an equitable equivalence as to the number and value of the claims on either side, but also facilitates the specially worded submissions appropriate to the Webster or Newfoundland claims.

Some further discussion will be needed regarding the particular claims to be placed in the schedules, but if the agreement, draft of which is enclosed, can be signed within the next fortnight or three weeks, as I hope may be the case if Your Excellency's Government as well as His Majesty's Government approve, the whole matter can be, unless unforeseen obstacles occur, taken up on a firm basis next autumn and finally disposed of. The signature now of this agreement, containing the general provisions for the arbitration, will greatly conduce to further progress and to the speedy settlement of a matter which has been too long pending. In the interest of the many British and Canadian claimants who will, I trust, obtain full satisfaction of their claims under this arbitration as soon as it can be set in motion, I venture to express the hope that the agreement of which the draft is enclosed may obtain at an early date the approval of Your Excellency's Government.

I have etc.

JAMES BRYCE

[ENCLOSURE 1]

Memorandum

The change of form of a Special Convention to that of an Agreement under Chapter IV of the Hague Convention of 1907 is recommended for the following reasons:

1. It will facilitate acceptance of the terms of reference to arbitration by those elements on both sides who without being represented in the negotiation have practically a veto on its results and consequently a power of amendment, such as the Senate and Colonies; for the authority of the Hague Convention will be a sufficient recommendation of the principles and

the adoption of the procedure laid down in the convention will tend to prevent amendment. Such an agreement would, therefore, have a better chance of not being subjected to the delay by colonial objections which wrecked the Root draft convention, or to interpretative riders by the Senate such as that which has delayed the Boundary Waters Treaty, or amendments such as wrecked the Pauncefote Arbitration Convention.

2. It will prevent a construction derogatory to the policy of arbitration pursued by both countries being put in the notes reading pecuniary claims out of the General Arbitration Treaty. This was done principally because arbitration by the Permanent Court at The Hague was unsuitable and at the time the Convention of 1907 which in Chapter IV provides an alternative simple form of arbitration had not yet been ratified. The present plan will make it clear that "existing" pecuniary claims were excluded from the General Arbitration Treaty not as an exercise of any principle adverse to their arbitration but for expediency of procedure.

3. The agreement will by the simple and summary form which it can be given show the facilitation of arbitration effected by the Hague Convention and serve as a good precedent in the development of the scheme of that convention instead of being a derogation from its scope as a Special Claims Convention would be.

4. It will facilitate the difficult task of negotiating the schedule and the terms of reference of the claims. The extent and quality of the jurisdiction assigned to a tribunal instituted under the convention and the exercise of its powers are established, but this is not the case when the tribunal is instituted by a Special Convention. In the latter case the powers and jurisdiction of the tribunal and even the principles of international law it is to apply must be carefully provided for. Such provision in the case of the arbitration of claims may raise highly contentious questions.

5. It will, therefore, enable an agreement as to the Tribunal and procedure to be initiated in anticipation of an agreement as to the terms of reference of the claims in the joint schedule. Because, as stated above, a special tribunal must have its powers carefully defined; such definition may well prejudice the interest of either party; neither party, therefore, would agree to any definition until it knew whether it would do so, and it could not know until the schedule was settled.

6. Consequently it will prevent the Fisheries Arbitration from giving rise to pecuniary claims without any arbitration being provided for them, as it is apprehended may happen. But an agreement is already initialled, or better still signed, and a schedule including the fisheries hypothetical claim is under negotiation. When the Hague award comes out, should that award give ground for a claim on either side, it is practically provided for and limited.

7. The definite conclusion of an agreement even without schedules will prevent any impression that conditions are now so much less favourable to the arbitration of claims than a year ago that further negotiation is useless.'

[ENCLOSURE 2]

Memorandum

Washington, May 7, 1910

RECORD OF RECENT NEGOTIATIONS

The greater part of the winter was spent in negotiations with Mr. J. B. Scott, Solicitor of the State Department, who had conducted the negotiations for Mr. Root under the previous Administration. It was finally found that Mr. Scott had not sufficient authority with the present Administration to get agreements made with him accepted. Indeed there was found to be a feeling prevalent that the Embassy had got much too much the best of the bargain and that the matter would have to be gone into *de novo*. The negotiations had accordingly to be suspended until Mr. Scott's retirement from the Department and mission to Paris in regard to the Prize Court and Permanent Court made it possible to put the matter into fresh hands. It was then taken up by Mr. Hoyt, Councillor of the State Department, Mr. Clark, Mr. Scott's successor as Solicitor, and Mr. Chandler Anderson a New York lawyer, who for the last twelve years has been called in by the Department for difficult work and who is their Agent in the Fisheries Arbitration. Mr. Anderson took charge of the Convention itself and Mr. Clark of the Schedule of Claims, both acting under Mr. Hoyt. These three lawyers were fortunately strong enough to eliminate other elements in the Department which had hampered the negotiations with Mr. Scott, and an agreement with them seemed sufficiently certain of acceptance by Mr. Knox to make progress possible. Informal negotiations were accordingly resumed and conferences were held several times a week though much delay was caused by Mr. Anderson's absences in New York and the calls of other matters on the attention of the others.

The first phase of the new negotiation in which the State Department pressed for an open convention for arbitration of all claims without previous agreement, and their subsequent withdrawal from this position has been fully reported. As soon as it was recognized by them that agreement as to the claims to be arbitrated was indispensable it became the object of the Embassy in the first place to obtain an agreement as to the schedules on the favourable basis already reached with Mr. Scott, and in the second to so remodel that basis that it might seem to be a new arrangement altogether and also to be not so favourable to us as in fact it was. With this view the schedules of either side were amalgamated in one which was divided into categories of claims in such a manner that an even balance could be shown in regard to the categories although in regard to the individual claims the preponderence remained heavily in our favour. This was supported by arguments as in the "explanation" herewith attached to the schedule, and was approved by them in principle. Moreover arranging the schedule in this manner in the form of questions made it possible to unload upon it from the Convention much contentious matter due to uneasiness in the minds of the three lawyers as to the terms of submission of certain claims. It was evident that the terms of reference could be varied to suit each category of

claims or even each claim; and indeed was being so varied in cases where treaty rights came in as in those of Webster and the Cayugas, or in the Newfoundland claim.

This much facilitated an agreement as to the Convention itself, which, moreover, it was found could also be put on a new and more satisfactory basis. In the form approved by Mr. Root and by us and Canada it was a convention with no provision for the arbitration or for the subsequent barring of any claims other than those in the schedules attached by either party to it. This, as pointed out by them, caused an inequitable discrimination between claims included in the schedules and those left out for no intrinsic demerit; made no provision for claims as to which either Government had not had cognizance,—and failed to bar claims too bad or too obscure to secure admission to the schedules. Parties with claims which had been admitted to the schedule, arbitrated and barred, would, if unsuccessful, resent not having been left out; those who had not been admitted, even though not barred, would resent not having had their chance of award. It was such considerations which led them to the abortive proposal for an "open" convention and which had to be satisfied in order to secure their support. The solution was obviously to provide for a succession of schedules as to each of which an agreement would be required; in which agreement provision had to be made for the assent of the Senate and of self-governing Colonies in so far as they were concerned. To provide that these schedules should continue to be submitted after publication of the arbitration and proclamation if considered necessary so that all claimants might have a reasonable notice to bring their claims before their Governments for presentation to the other Government and, failing objection, for submission to the Commission, so that thereby it should be made possible to bar from future presentation all claims whether so brought up, then presented and thereafter submitted or no, only such claims being reserved from being barred as could not be arbitrated owing to objection of the other party. After much discussion this principle was approved.

One of the principal difficulties in getting the negotiation restarted was the nervousness of the lawyers in regard to the Senate. The present Administration have little driving power and the party is at present very disorganized, so that there was little chance of forcing through anything to which objection might be taken. Moreover, it was evident that they did not count on much effective intervention from the Secretary of State or the President in such a case.

It was, therefore, desirable to render the obligation to arbitrate as strong as possible, while as far as possible simplifying the terms of the Convention so as to give no opening for criticism. With this view it was suggested that the Convention be converted into an agreement to arbitrate under the Hague Convention of 1907. The addition to this Convention of Chapter IV providing for summary arbitration made it possible to do this without in any way altering the constitution of the Commission or any essential provision of the Convention. Thereby the Convention, or as it has now become the Agreement, was no longer a special compact, so to say in the

air, but was brought into relation with arbitral developments generally and gained both by having the sanction behind it of the Hague Convention as well as a simplification of the provisions as to procedure, reference, etc. These points are developed in the explanation attached to the Agreement and submitted to the Americans. The change was welcomed by them and in fact this alteration together with that of the schedule quite changed the attitude of the American negotiators to the matter.

As soon as this change for the better was realized a strong effort was made to force the agreement and schedule through in time for submission to the Senate this summer. Owing to the abstention from the matter of the Secretary of State, amounting almost to abdication, it was difficult to make the pressure effective but it was carried to a point at which the lawyers positively refused to proceed further without more time to make themselves acquainted with the individual claims. They made no objection to any but the Philippine customs claims, but maintained not without reason that they could not pledge their Government without an exhaustive examination.

They were then with some trouble induced to deal with the Agreement in advance, on the lines approved by the Foreign Office in the spring of 1903; its present form making it possible to do so without prejudice to the claims to be arbitrated. Mr. Anderson, after some attempts to draft an agreement, asked us to do it and it was accordingly prepared in its present form and accepted by him with some verbal alterations. Time was now urgently pressing and the absence of Mr. Hoyt for a week threatened to postpone indefinitely the settlement now in sight, but the approval of Mr. Root, who enjoys a unique though unofficial authority in the matter, having been secured, Messrs. Anderson and Clark felt they could safely ask Mr. Knox to adopt the agreement, which he did without demur.

941. *Ambassador in United States to Governor General*

Washington, May 14, 1910

With this goes a despatch transmitting a copy of the Pecuniary Claims (now called Agreement) in a slightly new form but substantially the same as before. It would be a great gain if your Ministers would now see to this Agreement and authorize me to sign so far as Canada is concerned. I hope the Foreign Office will do the same. The only things that affected Canada, or that she cared about in the Agreement in its former shape are preserved in the present form of it. And the only points that can be really material for Britain or any colony now relate to the inclusion or exclusion of particular claims, a matter which has not yet been fully adjusted. George Young has taken a copy to show to Aylesworth, and if the latter, who knows the whole subject and dealt with it before, is satisfied, I hope your Government may see its way to express its concurrence as soon as Aylesworth is heard from, so that the Agreement may be signed before the end of this month if possible.

JAMES BRYCE

P.S.—May I suggest that a copy of the Agreement should be sent forthwith to Aylesworth in order that he might be officially asked to express his opinion on it as soon as possible. Though Young will show it to him he might be waiting to deal with it officially till he got it officially and time will soon press, because the United States Government are so dilatory at present that unless we get the thing set along officially soon, it may be impossible to have signature before the summer recess.

942. *Order in Council*

P.C.1183 June 7, 1910

The Committee of the Privy Council have had before them a report, dated 2nd June, 1910, from the Right Honourable Sir Wilfrid Laurier, stating that he has had under consideration copy of the most recent draft agreement for the submission to arbitration of the pecuniary claims outstanding between the United States and Great Britain submitted by His Majesty's Ambassador at Washington.

The Minister observes that this draft agreement differs materially from the draft convention formerly proposed. He desires to direct attention especially to that paragraph of Article V of the present draft, which provides that the tribunal shall decide all claims submitted upon such evidence or information as shall be furnished by either Government, and shall not be bound by technical rules of evidence.

The Minister further observes that the corresponding article of the former draft convention provides that the Commissioners shall investigate and decide the claims "upon such evidence or information only as shall be furnished by or on behalf of the respective Governments. They shall be bound to receive and consider all written documents or statements which may be presented to them by or on behalf of the respective Governments in support of or in answer to any claim."

The Minister is apprehensive that some prejudice may result from excluding the application of technical rules of evidence. Considering that the general principles by which evidential value is determined are common to the systems of both Great Britain and the United States, he thinks that these principles may properly be allowed to govern for the purposes of the determination of these claims, and he would prefer a stipulation to that effect, or at all events the restoration of the former clause.

Article VII of the present draft agreement relating to oath of office to be taken by each member of the tribunal requires that he shall undertake to decide "in accordance with treaty rights and with the principles of international law and of equity all claims presented for decision."

Article VI, which is the corresponding article of the former draft convention, provides that "all claims submitted to the said Commissioners shall be examined and decided upon their merits in accordance with the

principles of international law, and with justice and equity irrespective of objections of a technical nature."

The Prime Minister further states that he has considered the explanation of the proposed change stated in the memorandum from the British Embassy accompanying the draft agreement, but he does not appreciate these reasons. It appears to him that the facts should be put in proof upon legal evidence, and that the principles of decision stated in the former draft should be quite acceptable.

The Committee advise that Your Excellency may be pleased to forward a copy hereof to His Majesty's Ambassador at Washington.

All which is respectfully submitted for approval.

943. *Ambassador in United States to Administrator*

DESPATCH 95 URGENT

Sir, [Washington,] June 18, 1910

I have the honour to acknowledge the receipt of the Governor General's despatch of the 7th June, 1910, enclosing copy of an approved Minute of the Privy Council of Canada containing observations on the draft agreement for the settlement of pecuniary claims proposed by the United States Government and enclosed in my despatch No. 82.

I have discussed with the United States Department of State the substance of the objections mentioned in the Minute aforesaid.

As respects Article V the Department observe that they do not think the meaning and effect of the Article as now drafted differ in substance and effect from that of Article IV of the former draft which provided that the Commission should "receive and consider all documents or statements presented by or on behalf of the respective Governments", Article V providing further that claims "should be examined and decided . . . irrespective of objections of a technical nature." The words "not be bound by technical rules of evidence" were intended to relieve the Commissioners from the necessity of excluding evidence substantially good but against which some purely technical objection might be brought. For instance the common law rule that the evidence to be given must always be the best evidence obtainable is sometimes used to exclude documentary evidence of a fact because there may be some witness who might possibly be procured to speak to the fact, although the document supplies sufficiently good evidence. So too objections small and purely technical are often raised and sometimes sustained (and that in the United States much more than in England and Canada) where a prisoner is being tried on a criminal charge though they would be thought too artificial to be regarded in a civil suit. It was accordingly deemed proper when the agreement was being framed that the Commissioners should be free to admit evidence which they held to be good without being forced to reject it on purely technical grounds, whatever their view of its value.

Considering that the Commissioners will be skilled lawyers of eminence and experience and that there is no reason to suppose that Canada will be any more likely than the United States to suffer from the discretion proposed to be entrusted to these Commissioners, there would not seem to be anything dangerous in the words under discussion; but if it is desired to press the point I can ask the United States Government to omit the words and revert to the language of the former draft.

As respects Article VII of the present draft the language employed was designed to enlarge the scope of the reference by securing that where there was involved some question of treaty right or some principle of international law, the question should go before the Commission on its merits and not be stopped *in limine* by a question of jurisdiction, such, for instance, as that the matter is one for a local court and that the local remedies in the courts have not been exhausted, or that decisions have already been given in those courts. It was desired that in such case the substantial issue should be allowed to go before the Commissioners on the merits. Similarly the addition of the word "Equity" was meant to cover and is understood by both parties as covering, cases in which though it might be difficult to bring the claim under any particular treaty, or rule of international law, the claim is nevertheless put forward upon a broad principle of right giving ground for compensation which ought not to be withheld from the Commissioners by a technical objection. On examining the language of Article V of the former draft it will be found to be very similar in effect and to cover practically the same ground.

Here, as in the other Article, if there be any difference in the effect of the words, it is one which will apply equally to Canada and to the United States; and it does not appear that Canada has anything to lose by the change.

All questions relating to the particular claims to be admitted to the arbitration or excluded therefrom are reserved for future consideration when the schedules of claims for adjudication have to be settled.

I shall be glad to hear at as early a date as convenient whether these explanations meet the objections which have presented themselves to the Dominion Government, or, if not, what suggestions or arguments it is desired that I should address to the United States Government on the subject and especially as regards Article VII.

I have etc.

JAMES BRYCE

944. *Order in Council*

P.C. 1449 July 6, 1910

The Committee of the Privy Council have had before them a report, dated 5th July, 1910, from the Secretary of State for External Affairs, to whom was referred a despatch, dated 18th June, 1910, from His Majesty's Ambassador at Washington, on the subject of the latest draft agreement proposed by the United States Government for the settlement of pecuniary claims.

The Minister observes that he desires to renew the suggestion that, for the reasons indicated in the Minute of Council of the 7th June, 1910, the words

"and shall not be bound by technical rules of evidence" be omitted from Article V of the draft agreement under review.

The Minister states that on further consideration he is disposed to waive the remaining objections outlined in the Minute of Council of the 7th June, 1910, and to advise that, subject to the omission from Article V of the words, "and shall not be bound by technical rules of evidence", the draft agreement enclosed in Mr. Bryce's despatch of the 14th May, 1910, be accepted by Canada.

The Committee concurring advise that Your Excellency may be pleased to inform His Majesty's Ambassador at Washington in the above sense.

All which is respectfully submitted for approval.

945. *Ambassador in United States to Governor General*

TELEGRAM Dublin, New Hampshire, August 20, 1910

Claims Convention signed today.

BRYCE

946. *Secretary of State for External Affairs to Governor General*

Ottawa, December 27, 1910

The undersigned, to whom was referred a confidential despatch to Your Excellency from the Secretary of State for the Colonies, dated October 10 last, enclosing copy of the special agreement for the submission to arbitration of pecuniary claims outstanding between Great Britain and the United States, has the honour to submit that Your Excellency's Ministers are strongly impressed with the desirability of urgency being used in the settlement and ratification of the schedules of claims to be submitted. He would represent that many of the Canadian claims are of long standing, the justice of some has been admitted by the United States Government or by the United States House of Representatives, and the claimants are being exposed to serious and undue hardship by the protracted delay in their settlement.

He would therefore venture to recommend that Your Excellency should be pleased to represent these views of your Ministers to the Secretary of State for the Colonies, to the end that all possible steps may be taken to ensure the schedules being placed before the United States Senate at an early date.

The undersigned further recommends that a copy of this report be communicated to His Majesty's Ambassador at Washington.

All of which is respectfully submitted.

WILFRID LAURIER
for Secretary of State
for External Affairs

947. *Ambassador in United States to Foreign Secretary*

DESPATCH 44
Sir, Washington, February 14, 1911

The negotiations for an agreement as to the schedule to be annexed to the convention signed last summer for the arbitration of pecuniary claims today reached a point at which it was possible to submit to you a proposal for settlement such as might form the basis of an agreement. The cable message sent you in my telegrams Nos. 25 and 26 of the 13th and 14th instant indicated the outlines of the agreement which had been reached by informal negotiation here, subject to your approval and that of the Governments of Canada and Newfoundland in so far as they are concerned.

Great difficulty has been experienced by Mr. Young, who has been dealing with Messrs. Anderson, Clark and Lansing, acting for the United States Government, in getting these gentlemen to make definite proposals or do more than tentatively discuss the schedule, while perfecting their acquaintance with the whole subject. I have had myself more than once during the past week personally to urge Mr. Anderson to overcome the reluctance of his subordinates to undertake any definite responsibility and in the final meeting today at which I was present, a definite understanding was to some extent forced on the American negotiators.

Mr. Young had prepared a draft schedule, which had been submitted on our behalf as a basis of negotiation without prejudice. The scheme followed by this draft was the same as that of the schedule annexed to the draft convention in my despatch No. 109A of the 6th May 1910. The plan of amalgamating British and American claims and arranging them together under different categories therein adopted, was again followed and after some discussion accepted in principle by the Americans. It had the advantage of making it possible to produce a schedule which should not appear to give undue prominence to the claims of either party, though the British claims were both in number and value actually preponderant. While the American negotiators admitted that it was natural and not unfair that our claims should so predominate, they felt that it was necessary in this first schedule to avoid anything that might seem to depart widely from an equipoise so as to preclude hostile criticism in the Senate. It was further pointed out to them that owing to their delay it would be impossible to secure permission from any self-governing Dominions for the inclusion of claims other than those contained in our draft, in time for submission of the first schedule to this Congress. If the Americans wished to add any claims to the schedule, as proposed by us, these would have to be claims affecting the Imperial Government.

This principle, which has the effect of barring those claims they were most anxious to get inserted, has been since maintained by us to the exclusion of several claims urgently pressed by them—such as the Atlin mining claims and others. To other claims put forward we have raised the objection that as they have not been recently enough considered to

enable us to form an adequate judgment regarding them they were not suitable for introduction at this present state. Copy of a memorandum concerning certain claims against Canada of this character is enclosed.[1] We have avoided throughout taking the ground which under recent treaties it is difficult to support of objecting to the arbitration of any claims; or of bargaining claim against claim otherwise than for the presentation of a reasonable balance in the schedule.

It was, however, evident from the first that no tactical handling of the schedules would enable us to get the admission of all our claims, unless we conceded something to them. Eventually we got from them a draft schedule embodying our draft with the addition of their South African claims, namely the Brown, Union Bridge, Dietz, Chamberlain Medical Company (Mashona), Aronfreed, Horace Peter, and J. B. Regan; and thereupon Embassy telegram No. 25 of the 13th was sent indicating the outline of the possible agreement.

But even this definite step in advance was retracted by them this morning when a communication was received to the effect that this draft schedule was not to be taken as a firm proposal, either to the claims in it or left out of it and that further enquiry would be necessary into several important claims of ours included in our draft. It was, therefore, the more satisfactory that we were able in the ensuing final interview today to induce them to accept the draft obtained as above stated as a basis of discussion.

The discussion soon showed that the only serious difficulty centred in the South African claims. They insisted on their insertion as indispensable to the passage of the convention through the Senate and as needed to maintain the balance between the parties. If these claims were to be excluded they maintained that our corresponding claims, the Philippine war claims, must go out to avoid destructive Senatorial criticism. We tried unsuccessfully to give away the Hawaiian claims instead. Eventually in view of the information contained in your despatch No. 32 of 28th January it seemed worth while to refer this issue to you in my telegram No. 26 of today's date, as a satisfactory settlement had been reached in other respects.

In our draft proposal the claims of both parties were submitted to arbitration in terms suitable to the claims in each particular category. By this plan in the submission of the preliminary point as to the Webster claim (i.e. whether it was barred by the Convention of 1853) hostile criticism would be less likely in the Senate on the ground of that claim being in a specially disadvantageous position. It was also intended by a similar procedure to take advantage for our claims of the many admissions of liability by American authorities. The American negotiators wished however to go further in this direction and to make these special terms of submission general. This did not seem objectionable and after much discussion the general terms of submission herewith annexed and cabled to you in my telegram above referred to were tentatively agreed on. As reported in my telegram the object of these terms of submission is in the first place to provide clearly for the procedure of the Tribunal in regard to such matters as the effect of the Convention

[1] Not printed.

of 1853 on claims such as the Webster claim and to secure our claimants the full benefit of admissions of liability in "approved" claims; and in the second place to prevent undue delay. Such amendments as may be required will no doubt have been communicated to us by cable.

It will be observed that the claims are arranged under a simple classification in categories resembling those in the draft schedule attached to my despatch of last May above referred to each of which now constitutes a distinct section of the schedule. The only object of this classification has been that of providing a means of balancing this first schedule so as to permit us to get in as many claims as possible. As it has no other importance and as this purpose is now fulfilled it did not seem necessary to cable the classification. Should it be thought inconvenient it can be changed in subsequent schedules.

The proposed terms of submission and schedule have been submitted to Canada, and as reported in my telegram Newfoundland has been communicated with in regard to the fishery claims. I gathered from Sir Edward Morris when he was recently in Washington that his chief concern in regard to them was that the Colony should not be subjected to the expense of arbitration in regard to claims which it was willing to settle out of court in conformity with the deliverances of the Hague Award. I hope that the provision proposed with this object may meet his approval. The claims against Newfoundland must in so far as they are not either settled, or specifically engaged to be settled by payment be inserted in the first schedule and they cannot be paid before this Congress expires because evidence as to liability such as vouchers, etc., must first be obtained. This evidence is now being collected and will be sent to Newfoundland as soon as possible. Meantime the Colony is in no way prejudiced by the insertion of the reference proposed.

It is much to be hoped that it may have proved possible to prevent delay which would wreck now, as the delays interposed by Newfoundland wrecked in 1909, the prospects of passage of this agreement.

I have etc.

JAMES BRYCE

948. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM Washington, February 15, 1911

Pecuniary Claims. The first schedule has now been agreed to subject to the approval of His Majesty's Government, your Government, and Government of Newfoundland, in so far as their respective claims are concerned.

All the following Canadian claims are included: Cayuga Indians, Coquitlam, Favorite, Wanderer, Kate, Nelson, Canadienne, all hay claims as listed to date, Canadian Electric Light Company, Great North Western Telegraph Company, Cadenhead, Yukon lumber.

There are only the following claims against Canada; Fishery claims: Gerring, Roy, North, Tatler, Adams, Hurricane.

Inclusion of Atlin, Samuel, and four other claims of fishing vessels was strongly pressed for by United States Government, but we insisted on their unsuitability for this first schedule.

This schedule includes all claims which Canada has pressed for and no claims in which arbitration has not been assented to. The balance is consequently much in Canada's favour.

Former communications of your Government have practically conveyed their assent to these arrangements, but I should nevertheless like to be assured of your approval and if possible by February 18th, as, in order to pass this Congress, schedule must go to Senate early next week.

Separate telegram accompanies this giving text of general terms of submission. No points of importance are raised by it but Canadian Government may wish to have cognizance of it.

BRYCE

949. *Colonial Secretary to Governor General*

TELEGRAM London, February 18, 1911

Pecuniary Claims. His Majesty's Government suggest, subject to concurrence of your Ministers, that British Commissioner for all claims other than those of Newfoundland and possibly one or two others should be Canadian judge. In any case your Government will probably desire to appoint Canadian judge to deal with claims by and against Canada and His Majesty's Government would be glad to be able to entrust decision on other British claims to him.

Payment proposed for Commissioner is $25 *per diem*, with travelling expenses and $15 for subsistence. His Majesty's Government would suggest that Canadian Government should pay amount equal to cost of one Commissioner. His Majesty's Government presumes that judge appointed would be willing to accept the allowances above mentioned in lieu of his ordinary salary.

If other Commissioner selected later for Newfoundland claims after hearing of other claims he would be paid at same rate by Government of Newfoundland. His Majesty's Government propose that they should themselves pay half cost of neutral Commissioner and all other expenses incurred by the tribunal and appoint agent and secretary. This will not of course apply to expenses of counsel for which Canada should be responsible in Canadian cases and Newfoundland in Newfoundland cases. As regards neutral Commissioner United States Government are not prepared to accept Dr. Lammasch and Secretary of State for Foreign Affairs is of opinion that Fromageot, a French lawyer who is known to him as one of the delegates at the International Second Peace Conference at [The] Hague and at the International Naval Conference in 1909, should be suggested instead to the United States Government.

I shall be glad to learn at an early date whether your Ministers concur with these proposals and if so whom they will nominate for appointment as Commissioner.

HARCOURT

950. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, February 20, 1911

SECRET. H. M. Ambassador at Washington has I understand telegraphed to you respecting the schedule of claims under the Pecuniary Claims Convention and as to the terms of reference. Your responsible advisers will I hope find themselves able to concur and to notify the Ambassador as soon as possible.

Please repeat to me your telegram to the Ambassador.

HARCOURT

951. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, February 21, 1911

Pecuniary Claims. Your telegram 20th February. Following telegram sent to Ambassador, Washington, to-day. Telegram begins. Matter most urgent. Referring to your telegram 15th February, pecuniary claims, Government of Canada agree to schedule reserving terms of submission for further consideration.

GREY

952. *Governor General to Colonial Secretary*

TELEGRAM Ottawa, February 22, 1911

Referring to your telegram of 18th February, Pecuniary Claims. My Ministers advise selection of Chief Justice Sir Charles Fitzpatrick to deal with claims by and against Canada. Whilst it is not in my Ministers' province to advise as to other British claims, it may occur to His Majesty's Government that Sir Charles Fitzpatrick might equally be entrusted to deal with these claims. As regards neutral Commissioner my Ministers will be pleased with the selection of Mr. Fromageot.

GREY

953. *Ambassador in United States to Governor General*

DESPATCH 101

Seal Harbour, July 20, 1911

My Lord,

In my telegram of the 24th ultimo, I had the honour to inform Your Excellency that the first schedule of claims and the terms of submission to be attached to the Pecuniary Claims Agreement of last August had been formally agreed upon by an exchange of notes on that day. These notes, in addition to the formal acceptance of the schedule and the terms, contained a statement of the understanding of the two Governments that "the subdivision of the proposed schedule into classes is merely an arrangement for convenience in preparation of the schedule and in no way limits a Government in the prosecution of a claim so listed or the Tribunal of Arbitration in its consideration thereof."

Subsequently on the 6th July, the schedule and the terms were signed by the Secretary of State and myself in the form copy of which is herewith enclosed.[1]

I learn to-day that the Senate yesterday approved the agreement with the schedule and the terms of submission, and no obstacle therefore now remains to the constitution of the Arbitral Tribunal. Upon that subject, so far as it relates to the selection of a neutral Arbitrator, I am in communication with the United States Government.

I take this opportunity of expressing my cordial appreciation of the sympathy and support which Your Excellency and your Ministers have always shown to this Embassy throughout the course of these long, intricate and often difficult negotiations, and therewith my hope that the result now happily reached may prove satisfactory to Your Excellency's Government by removing the last of the old sources of friction between the Dominion of Canada and the United States.

I have etc.

JAMES BRYCE

954. *Order in Council*

P.C. 2806

December 9, 1911

The Committee of the Privy Council have had before them a report, dated 6th December, 1911, from the Secretary of State for External Affairs, to whom was referred a telegraphic despatch, dated 5th December, 1911, from the Right Honourable the Principal Secretary of State for the Colonies, on the subject of the agreement with the United States for the arbitration of pecuniary claims, in which Mr. Harcourt expresses the hope that Your Royal Highness's advisers will be agreeable to the proposed meeting of the Tribunal in November, 1912.

The Minister, having further considered the recommendation contained in the Minute of Council of the 25th November, 1911, in answer to the despatch from His Majesty's Ambassador at Washington of the 1st November, 1911, and having had the advantage of a personal discussion of the matter with Mr. Bryce, who is now in Ottawa, recommends that the Minute of Council above mentioned, be cancelled.

The Committee, on the recommendation of the Secretary of State for External Affairs, advise that Your Royal Highness may be pleased to inform His Majesty's Ambassador at Washington, that your advisers acquiesce in the proposal that it shall be provisionally agreed that the Tribunal shall meet at the beginning of November, 1912.

All which is respectfully submitted for approval.

[1] Not printed.

955. *Chargé d'affaires in United States to Foreign Secretary*

CONFIDENTIAL DESPATCH 146

Sir, Washington, May 21, 1912

As reported in my telegram No. 72 of yesterday Mr. Chandler Anderson, after consultation with the Secretary of State, is averse to beginning any fresh negotiations regarding the claims to be arbitrated, at this time of year. Mr. Lansing who undertakes the detailed work of the schedules is leaving Washington at the end of the first week in June, and the great heat makes the summer an undesirable time for negotiating.

If the consideration of the second schedule is begun as soon as the holidays are over, Mr. Anderson does not think that there is any reason why the arbitration should not begin towards the end of the year.

You will remember how in my despatches written when the idea of a new arbitration treaty was first mooted I reported Mr. Root's and Mr. Anderson's strong desire that all matters in dispute between Great Britain and the United States should be dealt with without the interference of foreigners and how from this desire the proposal for a joint high commission arose. Still animated by the same idea, Mr. Anderson, with the concurrence no doubt of the Secretary of State, has now suggested informally that we should dispense with the services of a neutral umpire for the Tribunal that will try the pecuniary claims and his place should be taken by an Englishman or an American to be chosen by lot from a small number of suitable names to be proposed by the two parties.

No doubt there have been causes in the past in which the American Arbitrators have not been chosen with that careful regard to their impartiality which might be wished, but the sense of responsibility of the United States Government in this respect, influenced, I have no doubt, by the higher standard of our own Governments, is increasing, and there is little reason to fear that the errors of the past will be repeated. Moreover from so many points of view it is desirable that we should settle our disputes between ourselves that I venture to hope that His Majesty's Government will look favourably on the proposal and will authorize me to agree to it in principle. No alteration will, so far as I can see, be required in the text of the Agreement.

Sir Edward Morris would like, if possible, to settle out of court a number of the petty claims against Newfoundland, which as he truly says will cost more to arbitrate than they are worth. He has, therefore, promised to supply the United States Government with all the information at the disposal of the Newfoundland Government, and has compiled a memorandum of the sums for which Newfoundland is prepared to accept liability.

I have etc.

A. MITCHELL INNES

956. *Colonial Secretary to Governor General*

TELEGRAM London, November 21, 1912

United States have appointed Chandler Anderson Arbitrator under Pecuniary Claims Agreement and appointment of Sir Charles Fitzpatrick has been notified to that Government and his letter of appointment will be sent shortly. United States also agree to Fromageot as neutral Arbitrator and His Majesty's Government would be glad if your Government will ask Fitzpatrick to concert with Anderson in formal invitation to Fromageot in accordance with Article 3 of Agreement and Article 87 of Hague Convention. Secretary of State for Foreign Affairs is asking United States to secure co-operation of Anderson and His Majesty's Ambassador at Paris is being instructed to approach France accordingly in concert with United States Ambassador.

HARCOURT

957. *Colonial Secretary to Governor General*

DESPATCH 858

Sir, Downing Street, December 14, 1912

With reference to my despatch No. 804 of the 23rd of November and to my telegram of the 10th of December, I have the honour to transmit to your Royal Highness for the information of your Ministers copy of a despatch[1] from His Majesty's Ambassador at Paris reporting that M. Fromageot is prepared to accept the post of neutral Arbitrator under the Pecuniary Claims Agreement with the United States of America when it is offered to him officially.[2] I shall be obliged if Sir C. Fitzpatrick may be informed accordingly.

I have etc.

L. HARCOURT

UNITED STATES: NAVAL VESSELS ON THE GREAT LAKES[3]

958. *Ambassador in United States to Governor General*

DESPATCH 58

My Lord, Washington, April 29, 1909

I have the honour to transmit herewith copy of a note which I have received from the Department of State requesting that permission be obtained

[1] Not printed.

[2] M. Fromageot accepted the appointment in February 1913 and set May 13 to June 14 as the period for the first session of the tribunal.

[3] The problem of naval vessels on the Great Lakes had been dealt with earlier in the Rush-Bagot Agreement of 1817 which limited the naval forces of Great Britain and the United States to two vessels each on the Upper Lakes and one each on Lake Ontario, the ships not to exceed 100 tons and not to carry more than one 18-pound cannon apiece. No other armed vessels were to be built or armed on the lakes. Before 1909 the United States had introduced additional vessels into the lakes for the training of state naval militia. Requests for permission to increase this fleet and to construct naval vessels in Great Lakes shipyards had consistently met with strong opposition from the Canadian Government, which protested any departure from the spirit or the letter of the 1817 Agreement.

for the armament of the U.S.S. *Nashville* being placed on board her at Chicago.

A copy of this communication has been sent to His Majesty's Government.

I have etc.

JAMES BRYCE

[ENCLOSURE]

Assistant Secretary of State of United States to Ambassador in United States

My dear Mr. Ambassador, Washington, April 16, 1909

Referring to my personal letter to you of the 6th instant, asking you to be good enough to cancel any action you might have taken towards procuring permission from the Canadian Government for the armament of the U.S.S. *Nashville* to be placed on board the vessel at Chicago, I beg to say that in a letter dated the 12th instant, the Secretary of the Navy states that it has now been found practicable to turn the vessel over to the Illinois naval militia as originally intended, and renews his request concerning the installation of the armament.

I therefore venture again to solicit your good offices to the end that this renewed request may be communicated to the Dominion Government and its permission obtained for the armament to be placed on board the *Nashville* at Chicago.

Regretting the trouble to which you have been put through this change of plan and thanking you for the exercise of your good offices in the matter,

I am etc.

HUNTINGTON WILSON

959. *Order in Council*

P.C. 283 N July 6, 1909

The Committee of the Privy Council have had under consideration a despatch, dated 29th April, 1909, from His Majesty's Ambassador at Washington, transmitting copy of a note received from the Department of State, requesting that permission be obtained from the Canadian Government for the armament of the U.S.S. *Nashville* at Chicago.

The Minister of Marine and Fisheries, to whom the despatch was referred, observes that the arrangement made in 1817 between Great Britain and the United States stipulates that the naval force to be maintained upon the Great Lakes shall be confined to the following vessels on each side, that is:

> On Lake Ontario to one vessel not exceeding one hundred tons burthen and armed with one eighteen pound cannon.
>
> On the Upper Lakes to two vessels not exceeding like burthen each armed with like force.

The Minister further observes that he is of opinion that it would be more satisfactory if the terms of the arrangement were strictly adhered to, and, in these circumstances, he feels himself unable to recommend the granting of the permission sought by the United States Government in respect of the ship *Nashville*.

The Committee, on the recommendation of the Minister of Marine and Fisheries, advise that Your Excellency may be pleased to cause His Majesty's Ambassador at Washington to be informed in the sense of this Minute.

All which is respectfully submitted for approval.

960. *Ambassador in United States to Administrator*

DESPATCH 92

North East Harbour, July 16, 1909

Sir,

I have the honour to acknowledge the receipt of your despatch No. 88 of the 10th instant in which you transmit copy of an approved Minute of the Privy Council for Canada stating that the Dominion Government do not feel able to grant the permission sought by the United States Government in respect of the ship *Nashville*.

Before transmitting this reply to the United States Government it seems necessary that I should recall your attention to the correspondence which has passed regarding this matter. All of it is in the possession of your Government and I need not begin here earlier than with my despatch to you on April 29 enclosing a note from the Secretary of State requesting permission for the armament of the *Nashville* to be placed on board her at Chicago. Of what passed subsequently to this date I have no official knowledge but gather from notices in the press that when the *Nashville* reached Montreal on May 25th last, the authorities at the Lachine Canal refused to permit her to pass until the United States Consul General at Montreal had communicated with your Government at Ottawa. I do not know how far this statement is consistent with the facts; but I may observe that as the United States Government, having received no reply to their request forwarded in my despatch of April 29 asking that the *Nashville* might be permitted to pass through with a view to receiving her armament at Chicago and having received permission for her to pass through, (although no doubt unarmed while in Canadian waters) may have, now after the time that has passed, taken what has in the meantime happened as a tacit acquiescence to their request as a whole, it becomes difficult now, to refuse permission for the *Nashville* to be armed (that having been the expressed object of the United States Government) without giving some explanation to the latter of the reason for the decision arrived at so long after the passage of the vessel.

I would further call your attention to my despatch No. 86 of the 2nd instant, in which I had the honour to transmit to you copy of a letter from the State Department requesting that the arrangements for the substitution of the *Nashville* for the *Dorothea* on the Great Lakes might be so far modified that the *Dorothea* might be assigned to the Naval Militia of Ohio

in place of the *Hawk*. It was added that the *Hawk* would be removed from the lakes should His Majesty's Government desire it.

In communicating with the United States Government upon the subject of vessels on the Great Lakes it would seem proper that I should also reply to what they have said regarding the *Hawk*, and I assume your Government would wish me to do so.

For these reasons, it seems to be better that I should await a further statement of the views of your Government in the matter before conveying to the United States Government the substance of your despatch No. 88, and I am therefore, in order to save time, replying at once to your despatch No. 88 which has reached me to-day.

I have etc.

JAMES BRYCE

961. *Order in Council*

P.C. 408 N July 29, 1909

The Committee of the Privy Council have had under consideration a despatch, dated 16th July, 1909, from His Majesty's Ambassador at Washington in regard to the United States Ship *Nashville*.

The Acting Secretary of State for External Affairs to whom the said despatch was referred, reports that diligent enquiry fails to disclose any refusal on the part of the Canadian authorities to pass this vessel through the canals in the early part of this year. The Superintendent of the Lachine Canal states that no objection was made on behalf of the Lachine Canal authorities in this regard. Nor does it appear that the United States Consul General in Montreal made any representations or held any communication with the Dominion Government, or any department thereof, in respect of this vessel.

The Minister observes that there is apparently some misconception in regard to this question. The facts, as they appear to him, are that on the 31st January, 1908, the Ambassador addressed a despatch to Your Excellency conveying the request of the United States Government that permission be given to the U.S.S. *Nashville* to pass through the Canadian canals. This permission (with the qualifications that the vessel should pass through Canadian waters unarmed, and that her use should be confined to training purposes) was granted by a Minute of Council, approved on the 15th February, 1908.

On the 29th April, 1909, the Ambassador transmitted a further request from the United States Government to the effect that permission be granted for the armament of the U.S.S. *Nashville* being placed on board her at Chicago.

This request, which was distinct from the previous application to pass through the canals, was in the view of Your Excellency's Ministers not one which should be complied with and the Ambassador was so informed by Minute of Council, dated 6th July, 1909.

Mr. Bryce, in his despatch of the 16th July, 1909, seems to be under the impression that the request of the United States Government forwarded in his despatch of the 29th April, 1909, included an application for permission to the *Nashville* to pass through the canals, whereas it had reference altogether to the arming of the vessel at Chicago. The former request, made in January, 1908, had already been granted. It does not appear that the *Nashville* made any use of the permission accorded her to pass through the canals during the year 1908, but in May, 1909, she went through, as the Minister has observed, without let or hindrance.

With reference to the question of the installation of armament on board the *Nashville* at Chicago, the Minister of Marine and Fisheries has already recommended that this request be not entertained, and the Minister, having regard to the fact that there are at the present moment at least eight armed vessels belonging to the United States on the Great Lakes (whereas the agreement stipulates that the number shall not exceed three) cannot see his way to recommend any modification of this advice.

The Committee, concurring in the foregoing, advise that Your Excellency may be pleased to transmit a copy of this Minute, if approved, to His Majesty's Ambassador at Washington.

All which is respectfully submitted for approval.

962. *Ambassador in United States to Administrator*

North East Harbour, August 6, 1909

My dear Chief Justice,

Your despatch conveying the decision of the Privy Council to refuse the application of the U.S. to permit the *Nashville* to receive her armament has reached me and that decision will have to be conveyed to the U.S. But the Minute does not give me the material I requested for explaining the delay from April till now in replying to the request of the U.S. and it appears that the *Nashville* has already received her armament, apparently in June, so the stable door is shut two months after the horse was taken out. The U.S. may now be expected to say that as they never received any reply they assumed that silence gave consent; and then we shall have to consider what to say to them.

I know of course that this rather awkward position is in no way due either to you or to Lord Grey; nor is it fairly to be put upon Sir Wilfrid, who as you observe has a thousand small things forced daily upon his attention. The decision not to permit the *Nashville* to take guns on board is one the U.S. have no right to complain of, but it does seem strange that it should not have been given early in May, before the vessel passed through, instead of now. These needless delays are doubtless due, as you remarked, to a deficiency of system, but they are unfortunate when one has to deal with a Government like that of the U.S.A.

This of course ought to be remedied when the Office of External Affairs gets into regular work.

Yours sincerely,

JAMES BRYCE

963. *Colonial Secretary to Governor General*

TELEGRAM London, August 18, 1909

I understand that you have informed His Majesty's Ambassador at Washington that permission for installation of armament of *Nashville* has been refused by the Government of Canada. In view of consideration advanced in Bryce's despatch to you 92, 16th July, and of the fact that she has already been armed it appears to me difficult now to do anything but acquiesce. To protest might raise the general question of the agreement which I imagine your Ministers still think undesirable. I hope that in the circumstances of the case they may be able to reconsider the matter.

CREWE

964. *Order in Council*

P.C. 1934 September 15, 1909

The Committee of the Privy Council have had under consideration a report, dated 9th September, 1909, from the Secretary of State for External Affairs, to whom was referred telegraphic despatches from the Secretary of State for the Colonies, dated respectively 16th August[1] and 2nd September, 1909, suggesting reconsideration of the decision arrived at in the matter of the armament of the United States Ship *Nashville*.

The Secretary of State for External Affairs represents that the arrangement of 1817, commonly known as the Rush-Bagot Agreement, provides that the naval force of Great Britain and the United States respectively, on Lake Ontario shall not exceed one vessel of not more than one hundred tons burthen and armed with one 18-pound cannon, and on the Upper Lakes, two vessels of like burthen and similarly armed.

The Minister further represents that he is informed that there are at the present moment no less than eight war vessels of the United States on the Great Lakes, not including the *Nashville*. Of these, five are armed and three unarmed. Putting aside for the moment the question whether the unarmed vessels should properly be considered as forming part of a naval force, the fact remains that there are five, and including the *Nashville*, six armed vessels of the United States on the Great Lakes, whereas the Rush-Bagot arrangement above quoted limits the number to three. The fact that the *Nashville* has already taken on her armament without waiting for permission, is not, in the opinion of the Minister, a sufficient reason for the Canadian Government to sanction a further departure from the international arrangement in force for nearly a century.

[1] The reference is to Document 963.

The Committee of the Privy Council, concurring in the views of the Secretary of State for External Affairs, submit that they are willing to allow the matter to rest where it is, but they regret that, for the reasons indicated, they cannot see their way to vary the decision already arrived at and approved by Your Excellency in Minutes of Council of the 6th and 17th July, 1909.

The Committee advise that Your Excellency may be pleased to inform the Right Honourable the Principal Secretary of State for the Colonies, by telegraph, in the sense of this Minute.

All which is respectfully submitted for approval.

965. *Ambassador in United States to Governor General*

CONFIDENTIAL DESPATCH 126

My Lord, Washington, November [20], 1909

I have the honour to enclose herewith copies of two confidential despatches which I have addressed to His Majesty's Government, reporting conversations with the President of the United States upon the subject of war vessels upon the Great Lakes and upon the subject of the recent United States Tariff Act[1] in its possible effect upon the commercial relations of the United States with Canada.

I have etc.

JAMES BRYCE

[P.S.] It would be of use to the Embassy to have copies of the commercial treaty between Canada and France in its latest form.

[ENCLOSURE]

Ambassador in United States to Foreign Secretary

CONFIDENTIAL DESPATCH 244

Sir, Washington, November 17, 1909

In my despatch No. 208 of September the 6th I summarized a conversation with Sir Wilfrid Laurier regarding the presence of vessels of war belonging to the United States upon the Great Lakes in excess of the number prescribed by the so-called Rush-Bagot Agreement of 1817. The matter had even then excited some public discussion in Canada, and has since then become the subject of frequent newspaper articles and in the last few days of questions in the Dominion Parliament.

President Taft having just returned to Washington from his long tour in the West and South, I took the first opportunity of seeing him and conveying to him the views of the Dominion Government mentioned in the despatch above referred to, which are, as I understand, those of His Majesty's Government also.

The President said that he perfectly understood the attitude of the Dominion Government and appreciated their wish that nothing should happen which

[1] See Document 891, page 756.

could create any sentiment of disquiet or suspicion in the minds of any section of the people in Canada. He valued the arrangement of 1817 and heartily desired to see it maintained, recognising the enormous benefit to both countries of the sense of perfect peace and tranquility which the absence of any naval forces helped to create.

As I had suggested that in future it would be better that no requests should come from the United States Government asking for the presence of armed vessels beyond those permitted by the Agreement of 1817, he promised to speak to the Secretary of the Navy upon the subject. This was said confidentially and naturally could not be mentioned publicly as any formal communication would come through the Secretary of State.

I may add that I had already spoken to the Secretary of State in the same sense as above indicated, explaining to him that although the Dominion Government had not expressly refused and were not now formally refusing the request made some time ago for permission to arm the *Nashville,* they considered that that vessel ought not to have been armed without their express authorization, and that they altogether deprecated requests the granting of which would raise the number of armed vessels above the limit of the Rush-Bagot Agreement. Mr. Knox assented to the view that it was desirable to adhere to that Agreement and appeared to feel the reasonableness of the Canadian view.

I have etc.

JAMES BRYCE

966. *Ambassador in United States to Governor General*

CONFIDENTIAL DESPATCH 38

My Lord, Washington, March 5, 1910

I have the honour to transmit to you herewith extracts from the official record of a debate which yesterday took place in the House of Representatives reviving the question of the construction of warships on the Great Lakes.[1] I also annex copy of a despatch which I addressed to His Majesty's Principal Secretary of State for Foreign Affairs some months ago on the general question of the Rush-Bagot Agreement; the enclosures to this despatch are already in your possession having been addressed to Your Lordship unofficially under date.

It will be observed that by the terms of the first resolution which appears in the report of the debate in Congress the Secretary of the Navy is requested to report, if not incompatible with the public interest, as to the practical possibilities and past history of naval construction on the Great Lakes. The fourth clause in the resolution would seem to be superseded or at least to be covered by the second resolution; which as amended, requests the President, subject to a similiar condition as to the public interest, to report what has been done to remove obstacles to such construction, words which obviously refer to the Rush-Bagot Agreement.

[1] Not printed.

It would therefore seem that the pressure on the part of lake shipyards for permission to compete in naval construction is likely to be resumed. This pressure, as pointed out in the memorandum annexed to my unofficial letter of December 16th has gone far in the past towards inducing the United States Government to move for such a revision of the Agreement as would accord to them such a right; failing which they have since adopted a policy of putting forward an interpretation of the Agreement which would hold it to have been intended to restrict the building of war-vessels only so far as they were intended to be maintained on the lakes in that character. (See Mr. Hay's answer to a resolution of Congress referred to in the memorandum and also Mr. Root's letter of May 3rd 1906 quoted in the memorandum, pages 14 and 15). This interpretation may appear to us to be a forced one and we may protest against it, but as the United States might reply to a protest by denouncing the Rush-Bagot Agreement itself, that course would avail little. It might accordingly be better that building for use elsewhere should be expressly permitted and restrictively regulated by a revised agreement. Otherwise the dangers anticipated in my above-mentioned communication would arise.

A further factor has since then been introduced into this aspect of the matter by the successful competition of American shipyards for the building of two ironclads for the Argentine Government. It is true that vessels of that great size could not pass through the canals, but the opening up of the prospect of supplying war-vessels to foreign powers may stimulate the ambition of the owners of lake shipyards to push the industry generally, and owing to the proximity of supplies of iron and coal small war-vessels can probably be more cheaply constructed on the Great Lakes than on the Atlantic Seaboard; and the undertaking on the former of foreign as well as American naval contracts would be an additional disadvantage.

At present nothing stands in the way of construction but the anxiety of the President to do nothing which may tend to disturb friendly relations or further weaken the Agreement. Both he and the Secretary of State have, as reported in my despatch of November 17th 1909, expressed themselves to me as fully sensible of the great value of the Agreement to both countries. But this wish to maintain it may at any time, in such a country as this, yield to such political pressure as the passing of these resolutions of the House would indicate as likely to be applied. It is well therefore to be prepared for contingencies; so I have thought it right to report this matter to you at the earliest possible moment. I have etc.

JAMES BRYCE

[ENCLOSURE]

Ambassador in United States to Foreign Secretary

DESPATCH 269 Washington, December 17, 1909

Sir,

I have the honour to transmit herewith copy of a semi-official letter which I have addressed to the Governor General of Canada in regard to

the general question of the restriction of armaments in the Great Lakes and the revision of the Agreement of 1817, a subject on which he had expressed a wish to receive some observations from me.

This letter and the memorandum by Mr. Young[1] enclosed therein state the reasons which have led me to believe that it deserves to be considered by His Majesty's Government and by the Government of the Dominion whether an effort should not be made to conclude a formal treaty on the subject. The provisions of any such treaty would lie within the scope of the Agreement on the subject reached by the Joint High Commission in 1899, when the Imperial interests concerned were fully considered.

From private conversations with Sir Wilfrid Laurier I have learnt how strongly he feels the seriousness of the question, but as he and his colleagues may not be prepared to take any action upon it, it has seemed better to let the subject come before the Governor General in an unofficial way, not requiring any reply from the Dominion Government, nor any admission by them if they are questioned in Parliament that it is now under their consideration.

Although it is possible that the United States Government may, if the question of the treaty comes up, ask to have more vessels authorized than the present arrangement permits, I do not personally think that that possibility is a sufficient reason against sounding them with a view to the conclusion of a new treaty. Inasmuch as the present arrangement is terminable by six months' notice, the matter is in a state of unstable equilibrium, which might well become awkward were there to be any tension between the two countries or were a less friendly Administration in power in the United States.

I have etc. JAMES BRYCE

[SUB-ENCLOSURE]

Ambassador in United States to Governor General

My dear Governor General, Washington, December 16, 1909

Conformably to your request, I send you some remarks that occur to me in regard to the present situation of the arrangement restricting naval armaments on the Great Lakes, and I enclose a memorandum prepared by Mr. Young at my request upon the subject.[1]

It is to be observed that this is now the only one of these questions pending at the beginning of the present century between Canada and the United States and then submitted without final result to the Joint High Commission of 1899 which has not been settled or in a fair way of settlement. This fact is not sufficiently explained either by any relative

[1] Mr. Young's memorandum of December 17, 1909 is too extensive for reproduction here. In its place will be found on page 829 an Addendum, in the form of extracts from a more succinct memorandum of earlier date, omitting detailed information on individual United States naval vessels and their respective assignments. This is followed by a confidential note on the Rush-Bagot Agreement, which was annexed to the memorandum.

unimportance of the question or by its inherent difficulty. On the contrary it is a question of vital interest, not only in an especial manner for Canada, but also for the Empire in general; and although no final settlement was arrived at upon the basis of the generally concurrent views of the High Commission this seems so far as can be judged from the records to have been due to objections taken on the side of Canada, which arose from circumstances and conditions for the most part fortuitously connected with the main issue.

There are grounds for thinking that the time has now arrived when it deserves to be considered whether an effort should be made to place this whole matter upon a more assured basis. Although the requests recently made by the United States Government for permission to increase the number of their armed vessels on the lakes have been made without any *arrière-pensée* of an improper kind, still such increases as have been permitted have led to some unfavourable comments in Canada and they have awakened some disquiet there. The United States Government have through the lips both of the President and of the Secretary of State expressed to me the high sense they entertain of the value of an arrangement which for so many years secured peace and confidence, and I believe they are unwilling to do anything that would disturb that confidence. Nevertheless they may again be subject to pressure by the State authorities, possibly also from their own naval advisers, who desire to promote recruiting for the navy in the regions adjoining the Great Lakes; and there may not be always an administration so pacific as that of Mr. Taft nor a President so personally friendly to the country in which he has been wont to spend his summers. It may also be thought that the approaching centenary of the beginning of an unbroken peace between the United States and the British Empire furnishes a fitting occasion for the conclusion of a permanent treaty securing the absence of navies on the Great Lakes.

I cannot, of course, be sure that if the matter were raised, the United States Government might not desire the terms of the existing arrangement to be altered, for I have had no indication of their views on that point.

Should it be the opinion of your Government that the United States Government should be sounded as to the conclusion of any such treaty, and should His Majesty's Government at home also conceive that it is undesirable that a matter of such vital importance to both countries should remain much longer in a state too delicate for the public discussions which are arising from time to time, the present time, when the sky between the two countries is free from clouds and a President animated by friendly sentiments holds office, would seem to be a favourable moment.

I am etc.

JAMES BRYCE

[ADDENDUM]

Memorandum on the progress of the United States Naval Militia on the Great Lakes, and the maintenance of United States vessels thereon

December 18, 1907

The Department of Militia has no definite information as to the date of the first attempt to organize a naval militia on the United States shores of the Great Lakes. But it appears that, in 1887, a Bill, "To create a naval reserve of auxiliary cruisers, officers and men from the mercantile marine of the United States" was introduced in the United States Senate, but failed to pass.

In the following year, 1888, another Bill "for the enrolment of Naval Militia and the organization of Naval forces" was introduced, but it, also, failed to pass.

Meanwhile, however, a naval militia movement had started in several States of the Union. This militia was maintained by those States and did not receive any assistance from the Federal Treasury until 1891, when Congress voted $25,000, to be distributed among naval militia organizations. In 1897, the appropriation was increased to $50,000, the money being divided among fifteen States which maintained Naval Militia Corps, the total strength amounting to some 3,700 officers and men.

Towards the end of the eighties, the United States Navy Department took a definite step in advance by handing over to the naval militia of the State of New York the old wooden line of battleship, the *New Hampshire,* for training purposes. Following that precedent, the requests of other States for similar loans of ships have from time to time been granted.

From 1887 to 1906 the naval militia thus consisted of a number of purely state organizations, governed by the laws of their respective States. But, on June 19th, 1906 an Act was passed by the House[s] of Congress "to establish a naval militia and define its relations to the central Government." This Bill, the "Naval Militia Bill", was based largely on the "Dick Militia Bill", which passed Congress on January 21st, 1903, and it brought the naval militia largely under Federal control.

Briefly, the Naval Militia Bill provides as follows:

> All sections of the Dick Bill which define relations between the organized militia of the several States shall be applicable to the Naval Militia and the duties therein named for the Secretary of War shall so far as the Naval Militia is concerned devolve upon the Secretary of the Navy.
>
> The Secretary of the Navy supplies officers on application from the Governors of States to superintend training, inspect, instruct and examine the Naval Militia, and, also, for the purpose of formulating standing orders, etc.
>
> The Naval Militia when called into the actual service of the Federal Government shall be governed by the same rules and articles of the Regular Navy.

The practical effect of this legislation is to place the force at the disposal of the Federal Government in the event of their service being required in war. And of late years, the force has not only been recognized, but has been largely organized and encouraged by the Navy Department, even to the extent of assigning vessels of the United States Navy to local corps.

The maintenance of naval militia organizations is restricted to those States which border on navigable waters. The strength maintained by the States which border on the Great Lakes, with which Canada is mainly concerned, is given in the returns of July, 1907, as under:

Illinois	691	Ohio	210
Michigan	276	Pennsylvania	95
Minnesota	134	New York	616

. . .

In short, there is no doubt that the United States maintain and possess on the Great Lakes a military organization to offset which Canada has, at present, nothing to show, and which, old as most of the vessels may be, would be of undoubted value in the case of war.

It cannot be supposed either that the General Staff of the United States Army are blind to the possible uses to which this organization could be put on an outbreak of war, or that they would for a moment hesitate to use it should the occasion arise. Reports—which, however, it has been impossible to verify—have from time to time reached the Militia Department, that certain American vessels on the Great Lakes have been registered as suitable for use as men-of-war on emergency, and that guns, ammunition, etc., wherewith to arm them are stored within easy reach of the United States lake ports.

[ANNEX]

A Note on the Agreement of 1817

CONFIDENTIAL

The Rush-Bagot Agreement, of 1817, between Great Britain and the United States, though terminable at six months' notice on either side, continues to hold good.

This is the more remarkable because its observance confers on Great Britain a relative advantage.

But, though its spirit remains unchanged, Great Britain and the United States (in particular the latter) have both departed from the strict terms of the Agreement.

Conditions have changed since 1817. Then, revenues and police services had alone to be considered; now, the issue is complicated by questions connected with shipbuilding and naval training.

But with a view to its revision, the Agreement was discussed in 1898-9 by the Anglo-American Commission, but with no practical result.

The United States were in favour of revision; and, from an Imperial standpoint, a modification in the direction desired by the United States would be far preferable to a termination of the Agreement.

Canada, on the other hand, resented and resisted revision, especially in connection with shipbuilding and naval training.

So the matter stands, and the Imperial Government remains in a delicate position.

A loose interpretation of the Agreement would, without doubt be unacceptable to Canada; and a rigid interpretation might provoke the United States into terminating it altogether.

967. *Ambassador in United States to Governor General*

CONFIDENTIAL DESPATCH 61

My Lord, Washington, March 25, 1910

Referring to my despatch of March 23, on the subject of war vessels on the Great Lakes, I have the honour to inform you that two days ago I took an opportunity of mentioning to the President of the United States the request addressed to him by the House of Representatives for an expression of his opinion on the subject of the building of such vessels in the shipyards there to be sent down thence to the sea. He said that he had not yet made any reply to the request of the House, which might seem not to have been yet brought to his notice; and in reply to my request for an expression of his own view he observed that he was inclined to deprecate any deviation from the provisions of the Rush-Bagot Agreement which had been so eminently beneficial to both countries. He quite realized that, however entirely friendly and pacific were the sentiments of both nations, it was undesirable that there should exist any uneasiness in the public mind as to the possibility of placing naval forces on the Great Lakes.

I may add that I had very recently a short conversation with Mr. Root upon the same subject. He spoke in a similar sense and appeared to hope that any agitation by the firms desiring to build warships in the shipbuilding yards on the lakes might be held in check.

I have etc.

JAMES BRYCE

968. *Order in Council*

P.C. 650 April 13, 1910

The Committee of the Privy Council have had before them a report, dated 5th April, 1910, from the Secretary of State for External Affairs, stating that he has had under consideration a despatch, dated 23rd March, 1910, from His

Majesty's Ambassador at Washington, calling attention to a communication sent to Congress by the Secretary of the Navy in response to a resolution passed by the House of Representatives on the question of the construction of war vessels on the Great Lakes.

The Secretary of State for External Affairs observes that in that communication it was intimated that the construction of small war vessels for use in the United States Navy generally, and, on certain conditions, the construction of large war vessels for use on the Great Lakes, was practically and economically possible, and Mr. Bryce expresses the opinion that it is "not improbable that the information hereby published in regard to tenders by lake firms for naval construction will provide material for Congressional pressure on the Administration either to revise the Rush-Bagot Agreement or to read into it the right to construct at will."

The Minister states that Your Excellency's advisers believe it their duty in these circumstances to record their emphatic dissent from any interpretation of the Rush-Bagot Agreement which could be considered to recognize such a right. The language of that Agreement seems to them absolutely plain and unequivocal. The Agreement, after limiting the naval forces of the two Powers to be maintained on the lakes to three vessels on each side, goes on to provide that "all other armed vessels on these lakes shall be dismantled, *and no other vessels of war shall be there built or armed*";

That in face of these unambiguous words Your Excellency's advisers are at a loss to conceive what principle of interpretation would justify a construction of the Agreement which could be held to authorize the building of war vessels at will;

That, inconsistent as such a construction is with the terms of the Agreement, Your Excellency's advisers believe it to be equally opposed to its spirit and object. That object as originally proposed by the United States Government was to "demonstrate" the "pacific policy" of the two Governments, and "secure their peace," and it will hardly be contended that such an object will be furthered or the interests of good neighbourhood between the two countries promoted when the way is laid open by the giving of liberty for unrestricted building of war vessels for the very mischief which the Agreement was designed to prevent, the provocation namely of those mutual feelings of suspicion and ill-will certain to arise from a rivalry in naval armaments, a result requiring as strongly to be guarded against to-day as when the Agreement was first entered into;

That Your Excellency's advisers are aware that it has been argued that in the altered conditions of the present, due to the construction of canals between the lakes, the building of war vessels which are to be removed from the lakes cannot be considered as falling within the prohibition of the Agreement; but they find themselves totally unable to accept such a view. The purpose of the prohibition was to prevent, or at least to reduce to a minimum, the possibility of offensive naval operations on the lakes; and the building of war vessels on these lakes, involving of necessity the possibility of their being offensively employed, is obviously quite inconsistent with such a

purpose; while that inconsistency is not removed by the mere fact that it is now possible to remove vessels built in the Great Lakes to the sea;

That Your Excellency's advisers, therefore, deem it well to make a strong protest against the interpretation referred to, and they recommend that Your Excellency may be pleased to convey this expression of their views to His Majesty's Ambassador at Washington, for communication, should it be deemed advisable, to the United States Government.

All which is respectfully submitted for approval.

969. *Ambassador in United States to Governor General*

DESPATCH 72

My Lord, Washington, May 3, 1910

I have the honour to acknowledge the receipt of your despatch No. 47, of the 19th of April, transmitting a Minute of the Privy Council commenting on information contained in my despatch No. 50 of the 23rd of March in regard to the question of naval armaments in the Great Lakes and the Rush-Bagot Agreement.

I note that the Dominion Government record their emphatic dissent from and protest strongly against any interpretation of the Agreement in question which would permit of the construction of war vessels in the Great Lakes; and that the Minute aforesaid may be transmitted by me to the United States Government should such action be deemed advisable by me. Upon due consideration it appears to me that the matter has not so come within the range of practical questions as to make it desirable that the Minute should be now transmitted, and there is indeed reason to think that at the present moment more harm than good would be done by any action which would give prominence to the subject here. The United States Government have not addressed me upon it. It is in no sense a pending one officially between us and them. Little interest has so far been shown in the press regarding it. In this country every communication addressed to the Government is liable to reach the public through the newspaper men, and a formal protest might tend to rouse that active press discussion of the subject which has hitherto been almost wholly absent, and probably to stimulate the shipbuilding firms and other persons who may fancy they have an interest in the abrogation of the Agreement.

As was observed in my despatch No. 50 of the 23rd of March, a protest on our part might at any moment be met by a denunciation by the United States Government of the Agreement itself; and that this contingency is one to be borne in mind as not wholly impossible appears from a passage in the enclosed communication[1] from the Secretary of the Navy in reply to the second resolution of Congress referred to in my above-mentioned despatch.

[1] Not printed.

An opinion of the Navy Department of the 28th of February, 1906, is there quoted, that "it would seem to be in the best interests of the United States if this Agreement could be terminated at once".

This recommendation has not been followed, but should Congress be led by the clamour of selfish interests to take up the matter, an agitation to act upon it might be expected.

Fortunately, the present Administration, like the past, shows no disposition to disturb the present pacific situation, which has been so eminently beneficial to both countries. The President has expressed to me (as reported in my Despatch No. 51 Confidential of March the 25th last) his strong wish to avoid any action which could arouse any public uneasiness regarding the position in the Great Lakes. The tenor of his own language and conduct shows that he does not desire to raise any questions that can be allowed to sleep, and there is, therefore, good reason to hope that nothing will be done in the near future which will make it necessary for the protest to be delivered, though I shall hold it in reserve in case of need, fully realizing its weight and importance and the gravity of the issue with which it deals.

I need not say that this Embassy will continue to watch the subject with close attention and will inform Your Excellency of any developments that may arise in connection with it.

I have etc.

JAMES BRYCE

970. *Ambassador in United States to Governor General*

DESPATCH 41

Washington, April 1, 1912

Sir,

I have the honour to transmit herewith copy of a note[1] received from the Acting Secretary of State informing me that the Secretary of the Navy proposes to issue at an early date an advertisement inviting proposals for constructing, by contract, the river gunboat authorized by the Naval Appropriation Act of March 4th, 1911, and that he is desirous that, in the interests of the Government, as well as that of the shipbuilding industry generally, shipbuilders of the Great Lakes may be admitted to the competition.

It will be seen that the vessel will not be launched at the place where she is to be constructed and I have further learnt from an enquiry made by the Naval Attaché to this Embassy that she is destined for service in China and will be transported in sections across the continent to the Pacific Coast and thus will not pass through the Great Lakes.

I have informed the Acting Secretary of State in reply to his note that I am transmitting copies of it to Your Royal Highness and to the Foreign Office.

I have etc.

JAMES BRYCE

[1] Not printed.

971. *Private Secretary, Governor General, to Private Secretary, Prime Minister*

PRIVATE

Dear Mr. Blount, Ottawa, April 9, 1912

His Royal Highness has received a cipher telegram from Mr. Bryce, asking him to convey the following message to the Prime Minister: Your private letter. Great Lakes. I have persuaded Navy Department not to include shipbuilding firms on lakes in advertisement for tenders for gunboat.

Believe me etc.

A. F. S[LADEN]

972. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM Washington, April 11, 1912

PRIVATE. SECRET. Great Lakes. My telegram of April 8th to Prime Minister. I wrote Prime Minister confirming telegram but hear he is away from Canada. It seems desirable to clinch informal understanding by private letter to Secretary of Navy expressing appreciation of Canadian Government of his readiness to meet our views. Might I ask Your Royal Highness to be kind enough to put me in a position to express this view.

BRYCE

973. *Order in Council*

P.C. 912 April 12, 1912

The Committee of the Privy Council have had before them a report, dated 6th April, 1912, from the Honourable George E. Foster, the Acting Prime Minister, stating that he had under consideration a despatch from His Majesty's Ambassador at Washington, transmitting copy of a note received from the Acting Secretary of State.

The Minister observes that from the communication of the Acting Secretary of State, dated 27th March, 1912, it appears that the Secretary of the Navy of the United States proposes to issue at an early date an advertisement inviting proposals for constructing by contract the river gunboat authorized by the Naval Appropriation Act of March 4th, 1911, and is desirous that shipbuilders on the Great Lakes may be admitted to the competition;

That the dimensions and armament of the proposed gunboat are set forth in the note of the Secretary of State, which also contains the intimation that the vessel will not be launched where built, but is intended to be shipped to a foreign port in parts, and that her armament will not be placed on board until she reaches her destination abroad and is reassembled;

That the Government of the United States does not consider that the building of this vessel upon the Great Lakes in the manner indicated would violate the Agreement of 1817 between the United States and Great Britain in regard to the number of vessels to be maintained or built thereon;

That Your Royal Highness' advisers are unable to concur in this conclusion. The Rush-Bagot Agreement is unequivocal in its terms inasmuch as it provides that "The naval force to be maintained upon the American lakes, by his Majesty and the Government of the United States, shall henceforth be confined to the following vessels on each side; that is, on Lake Ontario, to one vessel not exceeding 100 tons burden, and armed with one 18-pound cannon. On the Upper Lakes, to two vessels, not exceeding like burden each, and armed with like force. On the waters of Lake Champlain, to one vessel, not exceeding like burden, and armed with like force. All other armed vessels on these lakes shall be forthwith dismantled, and no other vessels of war shall then be built or armed."

They beg to call Your Royal Highness' attention to the Order in Council of the 13th April, 1910, in which the subject is very fully dealt with.

The Minister further observes that in the present instance the United States Government proposes to construct a gunboat which will not be launched on the lake but which will be transmitted in sections across the continent to the Pacific Coast. While it is true that the objections to this proposal may not be so serious as those embodied in the Order in Council of the 13th April, 1910, nevertheless they gravely apprehend that such a proposal may tend to facilitate and encourage future disregard of the plain terms of the Treaty and may be cited as a precedent for the construction of naval vessels which will be launched upon the lakes.

The Committee, therefore, advise that Your Royal Highness may be pleased to request His Majesty's Ambassador at Washington to make representations by way of protest against the construction of naval vessels upon the Great Lakes under any conditions to the Government of the United States, accordingly.

All which is respectfully submitted for approval.

974. *Acting Prime Minister to Ambassador in United States*

CONFIDENTIAL

Ottawa, April 17, 1912

Dear Mr. Bryce,

In the absence of Honourable Mr. Borden, your letter of April 7th has been sent to me.

I am very glad to learn that the Secretary of the Navy has decided to waive the inclusion of lake builders in the call for tenders for construction of the proposed gunboat. This will for the time being prevent the raising of the

old issue in an acute form, and I hope may be taken as an indication that our friends propose to maintain henceforth the spirit of the agreement.

Thank you very much for your good offices in this respect.

Yours very sincerely,

GEORGE E. FOSTER

975. *Ambassador in United States to Governor General*

TELEGRAM Washington, April 26, 1916

SECRET. I am asked by Counsel of State Department if there would be any objection to the employment of two ships of 2200 tons with eight four-inch guns on lakes (*Topeka* and another) to be used for training naval reserves of Illinois and Minnesota. I said I thought there would be objection but would inform you. Foreign Office informed.

SPRING RICE

976. *Deputy Minister of Naval Service to Under-Secretary of State for External Affairs*

Sir, Ottawa, May 19, 1916

I duly received your letter of the 29th April, transmitting copy of a secret despatch from the British Ambassador at Washington to the Governor General, dated 25th [26th] April 1916, asking, on behalf of the Secretary of State of the United States, whether there would be any objection to the employment on the Great Lakes of two ships of 2,200 tons with eight 4-inch guns, to be used for training naval reserves of Illinois and Minnesota.

My Minister has carefully examined this question and the correspondence which has previously been exchanged in connection with the enforcement of the Rush-Bagot Convention. My Minister is of the opinion that the employment of these two additional ships would be a clear breach of this Convention, that such action would be objectionable and that Canada should register a protest against the employment of these vessels.

My Minister is also of the opinion that the terms of the Rush-Bagot Convention, signed in 1817, can hardly be applied to modern vessels and modern armament and that it might possibly be of advantage to reach an interpretation of this Convention which would better meet the requirements of these days.

The United States Government has, at the present time, ten armed vessels on the Great Lakes, so that they are very far from keeping to the exact terms of the Convention. On the other hand, Canada has not one single armed vessel on the Great Lakes, and, to avoid even a semblance of an infringement of the Convention, the Fisheries Protection Vessel *Vigilant* was disarmed a few years ago and the two small guns which she carried have been stored ashore.

If at any time Canada wished to engage in the training of naval volunteers on the Great Lakes, it might be necessary to employ armed vessels for this purpose. An interpretation of the Convention which would allow of such steps being taken and which might regularize the action already taken by the United States and define limits to their activities in this direction would, in his opinon, be an advantage.

My Minister is of the opinion that the Rush-Bagot Convention is a very wise one and should be kept alive; that it is an advantage to both Canada and the United States to have an agreement by which there is a limit placed to the employment of armed vessels on the Great Lakes and that it would be better to reach a definite understanding as to the number of vessels to be allowed and the armament to be employed. Such a course would be preferable to allowing a continuance of the present infringement of the Convention by the United States and would allow of a satisfactory settlement of a very delicate situation.

I am enclosing a statement[1] giving a list of the armed vessels of the United States at present in commission on the Great Lakes, and I would draw the attention of the Prime Minister to Orders in Council of the 17th November 1909, 13th April 1910 and 12th April 1912, which show the manner in which the correspondence on this subject has been handled in the past.

I have etc.

G. J. DESBARATS

977. *Ambassador in United States to Governor General*

DESPATCH 146

Washington, May 30, 1916

Sir,

With reference to Your Royal Highness's telegram of yesterday's date I have the honour to inform you that I conveyed to the Department of State a few weeks ago my private opinion that the moment was not opportune for the employment of two armed ships on the Great Lakes even for training purposes. I have not received any formal application from the United States Government since and, subject to Your Royal Highness's concurrence, I do not propose to raise the question again unless I am approached afresh.

I have etc.

CECIL SPRING RICE

978. *Governor General to Colonial Secretary*

TELEGRAM

Ottawa, June 1, 1916

Application made by United States Government for employment of two ships of twenty-two hundred tons with eight four-inch guns on Great Lakes for training naval reserves. There are already nine United States vessels on lakes, seven of which are armed. Their combined tonnage is seven thousand four hundred with armament of forty-four guns including fourteen four-inch

[1] Not printed.

guns besides twenty-two machine guns. My advisers are not disposed to consent but before final decision they would be glad to have views of His Majesty's Government.

ARTHUR

979. *Ambassador in United States to Governor General*

TELEGRAM Washington, June 4, 1916

SECRET. With reference to your telegram June 1st the matter now appears to have dropped. See my despatch No. 146.

SPRING RICE

980. *Colonial Secretary to Governor General*

PARAPHRASE OF TELEGRAM London, June 16, 1916

SECRET. With reference to your telegram 2nd June[1] new demand of United States Government is not regarded by His Majesty's Government as constituting any military menace to Canada nor as increasing appreciably strategic disadvantage of Dominion owing to her adherence to spirit of Rush-Bagot Agreement but they recognise that cumulative effect of American demands must be expected to influence Canadian public opinion in the contrary sense. If your Government object to consent being given to United States' proposals His Majesty's Government are quite willing to instruct His Majesty's Ambassador at Washington to oppose request, but of course refusal may lead to denunciation of Rush-Bagot Convention by the United States Government and no doubt your Government will consider how far maintenance of Convention would be preferable to absence of all restrictions of armaments on Great Lakes. The Secretary of State for Foreign Affairs would be glad to learn precise terms and scope of reply that your Government propose to give.

BONAR LAW

981. *Ambassador in United States to Governor General*

PARAPHRASE OF TELEGRAM Washington, August 4, 1916

Coastguard cutter *Morrill* 145 feet 3 inches long has been ordered by Treasury Department to proceed to Alexandria Bay to patrol the Regatta to be held August 15th to 17th. She is now at Detroit and will have to pass into Lake Ontario through Welland Canal. United States Government hope that Canadian Government will see that no obstacle is placed in her way. Her armament consists of 2 six-pound Hotchkiss guns.

SPRING RICE

[1] Presumably Document 978.

982. *Governor General to Ambassador in United States*

TELEGRAM Ottawa, August 14, 1916

Your telegram 4th instant. My advisers do not object to United States coastguard cutter *Morrill* passing into Lake Ontario through Welland Canal for the purpose mentioned. They understand that the vessel will remain only temporarily since her presence in Great Lakes would be in contravention of terms of Rush-Bagot Agreement.

ARTHUR

UNITED STATES: PANAMA CANAL TOLLS

983. *Under-Secretary of State for External Affairs to Secretary, Governor General*

Sir, Ottawa, February 8, 1912

I have the honour to request that His Royal Highness the Governor General may be humbly moved to cause an enquiry to be addressed to His Majesty's Ambassador at Washington as to the present position of the question of tolls on the Panama Canal, in respect of which the United States, by Treaty dated 18th November, 1901, guaranteed equality of treatment to vessels of commerce of all nations.

It is understood that a proposal is now being mooted to grant rebates to United States shippers of the amount of tolls paid by them, thus practically discriminating against Canadian shippers.

The First Minister would be glad to be afforded confidential communication of any diplomatic correspondence which may have been exchanged between His Majesty's Ambassador and the United States Government on this subject.

I have etc.

JOSEPH POPE

984. *Under-Secretary of State for External Affairs to Prime Minister*

Dear Mr. Borden, Ottawa, May 23, 1912

I have just seen yesterday's *New York Herald* in which is a telegraphic despatch from Washington to the effect that the following provision was, on Tuesday the 21st, inserted in the Adamson Panama Canal Bill by a vote of 100 to 90: "No tolls shall be levied upon vessels engaged in the coastwise trade of the United States."

This of course is discrimination, and as such is in contravention of the Hay-Pauncefote Treaty of 1901—see my memo to you on the point, dated 6th March, 1912.

The provision preventing railroads from owning or controlling steamships with which they do or may compete, was carried by an overwhelming majority.

Yours very truly,

JOSEPH POPE

985. *Chargé d'Affaires in United States to Governor General*

DESPATCH 82

Sir, Washington, May 27, 1912

I have the honour to transmit herewith for the information of Your Royal Highness's Government copies of the Bill H. R. 21969 passed in the House of Representatives on the 23rd instant for the regulation of the Panama Canal. The bill as originally introduced made no exemption in favour of United States coastwise traffic using the canal, but it will be seen that Section 5 of the present bill contains a proviso exempting such traffic from paying tolls.

I have etc.

A. MITCHELL INNES

986. *Chargé d'Affaires in United States to Governor General*

DESPATCH 109

Sir, Kineo, July 1, 1912

In my despatch No. 82 of the 27th May I had the honour to forward copies of the Panama Canal Bill as it left the House of Representatives, and I now forward copies of the same bill as reported by the Committee of the Senate.

Your Royal Highness will observe that an amendment has been introduced into Clause 5, which exempts American vessels engaged in the foreign trade (those engaged in the coastwise trade having been already exempted) from the payment of tolls, on condition that the owners agree in the case of war or other emergency to hand them over at a fair value to the United States Government.[1] One of the objects of this condition would seem to be to give the impression that the Government is getting value for the exemption, so as to furnish the Government with an argument to justify the exception, in case Great Britain should protest that it is an infraction of the Hay-Pauncefote Treaty. This aspect of the proposal has already been so thoroughly discussed in a former despatch, that it is unnecessary to revert to it.

Section 11, which it was thought might, under certain circumstances affect the Canadian Pacific Railway has been entirely remodelled, and though somewhat complicated, it would now appear to apply only to vessels of United States registry.

I have etc.

A. MITCHELL INNES

987. *Chargé d'Affaires in United States to Secretary of State of United States*

Sir, Kineo, July 8, 1912

The attention of His Majesty's Government has been called to the various proposals that have from time to time been made for the purpose of relieving American shipping from the burden of the tolls to be levied on vessels passing

[1] This amendment to exempt United States vessels engaged in foreign trade from paying tolls died in a conference of the House of Representatives and the Senate in mid-August, 1912.

through the Panama Canal, and these proposals together with the arguments that have been used to support them have been carefully considered with a view to the bearing on them of the provisions of the Treaty between the United States and Great Britain of November 18th, 1901.

The proposals may be summed up as follows:

1. To exempt all American shipping from the tolls;
2. To refund to all American ships the tolls which they may have paid;
3. To exempt American ships engaged in the coastwise trade;
4. To repay the tolls to American ships engaged in the coastwise trade.

The proposal to exempt all American shipping from the payment of the tolls, would, in the opinion of His Majesty's Government, involve an infraction of the Treaty, nor is there, in their opinion, any difference in principle between charging tolls only to refund them and remitting tolls altogether. The result is the same in either case, and the adoption of the alternative method of refunding the tolls in preference to that of remitting them, while perhaps complying with the letter of the Treaty, would still contravene its spirit.

It has been argued that a refund of the tolls would merely be equivalent to a subsidy and that there is nothing in the Hay-Pauncefote Treaty which limits the right of the United States to subsidize its shipping. It is true that there is nothing in that Treaty to prevent the United States from subsidizing its shipping and if it granted a subsidy His Majesty's Government could not be in a position to complain. But there is a great distinction beween a general subsidy, either to shipping at large or to shipping engaged in any given trade, and a subsidy calculated particularly with reference to the amount of user of the canal by the subsidized lines or vessels. If such a subsidy were granted it would not, in the opinion of His Majesty's Government, be in accordance with the obligations of the Treaty.

As to the proposal that exemption shall be given to vessels engaged in the coastwise trade, a more difficult question arises. If the trade should be so regulated as to make it certain that only *bona fide* coastwise traffic which is reserved for United States vessels would be benefited by this exemption, it may be that no objection could be taken. But it appears to my Government that it would be impossible to frame regulations which would prevent the exemption from resulting, in fact, in a preference to United States shipping and consequently in an infraction of the Treaty.

I have etc.

A. Mitchell Innes

988. *Prime Minister to Foreign Secretary*

Dear Sir Edward Grey, London, July 26, 1912

As I have already stated at recent interviews, the Government of Canada view with great concern the proposals embodied in the Bill now before the Congress of the United States with respect to the Panama Canal so far as

those provisions are calculated to discriminate in favour of citizens of the United States and against the citizens of Canada. The protest which has been made by His Majesty's Government in that regard has our warm and earnest support.

The stipulations of the Treaty of the 18th November, 1901, ratified on the 21st February, 1902, as expressed in the first clause of Article 3, are as follows:

> The Canal shall be free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

We desire to call attention to similar provisions of the Boundary Waters Treaty signed on the 11th January, 1909, which are as follows:

> The High Contracting Parties agree that the navigation of all boundary waters shall forever continue free and open for the purposes of commerce to the inhabitants and to the ships, vessels, and boats of both countries equally, subject, however, to any laws and regulations of either country, within its own territory, not inconsistent with such privilege of free navigation, and applying equally and without discrimination to the inhabitants, ships, vessels, and boats of both countries.
>
> It is further agreed that so long as this treaty shall remain in force this same right of navigation shall extend to the waters of Lake Michigan and to all canals connecting boundary waters now existing, or which may hereafter be constructed on either side of the line. Either of the High Contracting Parties may adopt rules and regulations governing the use of such canals within its own territory, and may charge tolls for the use thereof; but all such rules and regulations and all tolls charged shall apply alike to the subjects or citizens of the High Contracting Parties, and they shall be placed on terms of equality in the use thereof.

It might be opportune to point out to the Government of the United States the similarity of the corresponding provisions of the two Treaties, and to observe that any such interpretation as that which it is sought to place upon the clause above quoted from the Treaty of 1901 would seem to apply with equal force to the provisions last quoted from the Treaty of 1909.

Yours faithfully,

R. L. BORDEN

989. *Foreign Secretary to Prime Minister*

Dear Mr. Borden, Foreign Office, August 1, 1912

I have carefully considered your letter of the 26th ultimo on the subject of the discussions now proceeding in the Senate of the United States on the question of tolls to be charged in the Panama Canal, and the proposals which have been put forward to discriminate in favour of citizens and ships of the United States.

I fully appreciate the importance to be attached to the similarity of the stipulations contained in the Hay-Pauncefote Treaty of 1902 and the Boundary Waters Treaty of 1909, but I hardly think that the present moment is opportune for directing the attention of the United States Government to the point, and I am disposed to wait until their attitude towards the whole question of the canal tolls is more clearly defined.

The argument is in my opinion of considerable weight, and I can assure you that His Majesty's Government will make every possible use of it in subsequent negotiations with the United States should necessity arise.

Yours sincerely,

E. GREY

990. *Colonial Secretary to Governor General*

CONFIDENTIAL DESPATCH

Colonial Office, November 15, 1912

Sir,

I enclose herewith for the information of Your Royal Highness's Ministers a copy of a despatch sent yesterday by Sir Edward Grey to Mr. Bryce for delivery to the Government of the United States on the subject of the Panama Canal dues.

The only part of it which might under certain circumstances concern the Government of Canada, is dealt with in the two paragraphs on page six, which I have marked in red,[1] and it will be seen that if and when any such question should arise, the future freedom of discussion is efficiently guarded and preserved.

Sir Edward Grey is anxious that Mr. Bryce should be in a position to deliver this despatch without delay, and I would therefore beg Your Royal Highness to secure from your Ministers at the earliest possible moment their concurrence with the terms of this despatch, to be conveyed to me by cable in order that Mr. Bryce may be instructed accordingly. I should be obliged if Your Royal Highness would acknowledge the receipt of this letter and enclosure by cable with some indication, if possible, of the day on which the desired answer is likely to be telegraphed.

I have etc.

L. HARCOURT

[ENCLOSURE]

Foreign Secretary to Ambassador in United States

CONFIDENTIAL DESPATCH 522

Foreign Office, November 14, 1912

Sir,

. . .

There are other provisions of the Panama Canal Act to which the attention of His Majesty's Government has been directed. These are contained in Section 11, part of which enacts that a railway company,

[1] First and second full paragraphs, page 845.

subject to the Inter-State Commerce Act, 1887, is prohibited from having any interest in vessels operated through the Canal with which such railways may compete, and another part provides that a vessel permitted to engage in the coastwise or foreign trade of the United States is not allowed to use the Canal if its owner is guilty of violating the Sherman Anti-Trust Act.

His Majesty's Government do not read this section of the Act as applying to, or affecting, British ships, and they therefore do not feel justified in making any observations upon it. They assume that it applies only to vessels flying the flag of the United States, and that it is aimed at practices which concern only the internal trade of the United States. If this view is mistaken and the provisions are intended to apply under any circumstances to British ships, they must reserve their right to examine the matter further and to raise such contentions as may seem justified.

His Majesty's Government feel no doubt as to the correctness of their interpretation of the Treaties of 1850 and 1901, and as to the validity of the rights they claim under them for British shipping; nor does there seem to them to be any room for doubt that the provisions of the Panama Canal Act as to tolls conflict with the rights secured to their shipping by the Treaty. But they recognize that many persons of note in the United States, whose opinions are entitled to great weight hold that the provisions of the Act do not infringe the conventional obligations by which the United States is bound, and under these circumstances they desire to state their perfect readiness to submit the question to arbitration if the Government of the United States would prefer to take this course. A reference to arbitration would be rendered unnecessary if the Government of the United States should be prepared to amend the provisions of the Act so as to ensure that tolls in respect of all shipping passing through the Canal, without distinction of flag, will either be paid or brought into account as part of the earnings of the Canal, and that the amount of the toll will be fixed from time to time at a sum which, upon that basis, can be demonstrated to be just and equitable, that is to say, that the toll will not exceed the estimated proportionate cost of the interest on the construction, and of the operation and maintenance of the Canal.

. . .

I am etc.

E. Grey

991. *Prime Minister to Governor General*

Sir, Ottawa, November 23, 1912

I have the honour to acknowledge the letter of Your Royal Highness enclosing copy of a letter and despatch received from Mr. Harcourt. We have considered that portion of the despatch on page six which is supposed specially to concern the interests of Canada and I beg to inform Your Royal

Highness that we see no reason why the despatch should not be delivered at once. So far as the interests of this country are concerned the terms of the despatch meet with our concurrence.[1]

I have etc.

R. L. BORDEN

992. *British Columbia Order in Council*

February 15, 1913

The Committee of Council submit for the approval of His Honour the Lieutenant Governor a Resolution of the Legislative Assembly of the Province of British Columbia of the 11th instant, as follows:

> Whereas according to the provisions of the Hay-Pauncefote Treaty of 1901, as expressed in Rule 1, Clause 3, it was agreed by the United States of America that the Panama Canal should be open to the ships of all nations upon terms of perfect equality;
>
> And whereas by Act of Congress passed in August, 1912, vessels owned in the United States and engaged in the coastwise trade are to be exempt from all Canal dues;
>
> And whereas such discrimination would obviously operate to the disadvantage of British vessels engaged in the carrying trade of the Pacific Coast;
>
> And whereas in July, 1912, the British Government entered a protest against the preferences granted by said Act of Congress to American vessels, and again in November renewed the protest, and requested, failing other means of settlement, that the question should be referred for arbitration to the Hague Tribunal in accordance with the provisions of a treaty with the United States in 1908;
>
> Therefore, be it Resolved, That the Legislature views with great satisfaction the attitude assumed by His Majesty's Secretary for Foreign Affairs in upholding the rights of British and Canadian shipping in the use of the Panama Canal, and expresses the sincere hope that the negotiations which have been undertaken may speedily result in a just and amicable settlement being reached.

The Committee advise that a copy of this Minute be forwarded to the Honourable the Secretary of State of Canada for transmission to the Right Honourable the Secretary of State for the Colonies.

993. *Ambassador in United States to Governor General*

DESPATCH 67

Washington, April 23, 1913

Sir,

I have the honour to transmit herewith copies of a resolution[2] introduced into the Senate by Senator Chamberlain, of Oregon, designed to abrogate the Clayton-Bulwer and Hay-Pauncefote Treaties.

Resolutions similar to the enclosed were proposed about 1900 for the abrogation of the Clayton-Bulwer Treaty before the matter was set at rest

[1] In the note as delivered to the Secretary of State on December 9, 1912, the last sentence of the extract reproduced on page 845 was substantially altered, to read: "A reference to arbitration would be rendered unnecessary if the Government of the United States should be prepared to take such steps as would remove the objections to the Act which H. M. Government have stated."

[2] Not printed.

for the time being by the Hay-Pauncefote Treaty. The good sense of Congress then prevailed to quash such proposals, and it is to be hoped that the present Congress will act in the same manner. For the moment, therefore, I do not attach much importance to this resolution, though the present situation is not without danger in view of the feeling undoubtedly current amongst certain sections of the less educated elements in this country that the question of tolls on the Panama Canal is a domestic matter, and in view of the influence still exercised upon those elements by the notorious Hearst newspapers and of the sentiments of the masses on the Pacific Coast.

I have not recently reported upon this matter to Your Excellency's Government, because since the delivery of my note of February 28th to Mr. Knox (see my despatch to His Royal Highness, No. 29 of March 1) there have been no new developments in the situation of any importance.

As I now judge the position of affairs here, it appears that it would be useless to expect the Administration to take any steps towards meeting the demands of His Majesty's Government until the Tariff Bill has been finally passed by Congress. Though I have unofficially urged upon the Administration the necessity of settling the whole matter at an early date, it appears that the President is already so embarrassed by the contests arising out of the drastic tariff revision now pending, that he will be unwilling, and indeed unable, to complicate the situation further by taking up the question of the Panama Canal. Under these circumstances I feel that nothing would probably be gained by any further attempts on the part of His Majesty's Government to secure an immediate settlement of the matter, and for the present our best course appears to be to maintain silence in the hope that the President, once the tariff is out of the way, will throw his powerful advocacy into the scale in favour of the strict observance of treaty obligations—whether by the passage of the Bills repealing the obnoxious clauses of the Act, which have already been introduced into Congress by Mr. Root in the Senate and by Mr. Sims in the House of Representatives, or by the submission of the whole question to arbitration. That such is the President's personal wish cannot, I think, be doubted, though of course political considerations may delay his action or drive him into less decided courses than he might wish to pursue if able to think solely of his own feelings.

I have etc.

JAMES BRYCE

994. *Colonial Secretary to Governor General*

DESPATCH 240
Sir, Downing Street, April 7, 1914

With reference to my despatch No. 216, of the 19th March, 1913, I have the honour to transmit to Your Royal Highness, for the information of your Ministers, a copy of a despatch from His Majesty's Ambassador at Wash-

ington[1] forwarding a copy of an address delivered by the President of the United States at a joint session of the two Houses of Congress on the 5th March, urging the repeal of that provision of the Panama Canal Act of the 24th August, 1912, which exempts vessels engaged in the coastwise trade of the United States from payment of tolls.[2]

I have etc.

L. HARCOURT

[1] Not printed.

[2] President Wilson's intervention was successful and a Bill to amend the Panama Canal Act (H.R. 14385) was passed and approved on June 15, 1914.

ANALYTICAL INDEX,

INCLUDING

GUIDE TO PRINCIPAL PERSONS

AND

TO TREATIES, CONVENTIONS

AND AGREEMENTS

In this first volume in the series of *Documents on Canadian External Relations* a consecutive reading of material on many of the subjects with which the compilation deals can be carried out only by frequent consultation of an analytical index, which is therefore provided in the following pages. Later volumes in the series may not require this special feature, which is necessitated by characteristics of the first volume to which attention has been drawn in the Introduction.

For the convenience of readers the Index includes information on the dates between which principal persons mentioned in the text occupied positions of authority up to the end of the first World War. All treaties, conventions and agreements referred to in the text are listed, with dates, under the general heading of "Treaties", as well as under the names of signatory Powers throughout the Index.

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